

## **BOARD OF MAYOR AND ALDERMEN**

**November 20, 2001**

**7:30 PM**

Mayor Baines called the meeting to order.

The Clerk called the roll. There were thirteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Levasseur, Sysyn, Pinard, O'Neil, Lopez,  
Shea, Vaillancourt, Pariseau, Cashin, Thibault, Hirschmann

Mayor Baines stated I would like to echo some of the comments made by Alderman Wihby at the meeting preceding this and commend all of the people on the City side who worked very hard on the opening of the Civic Center and especially Tim Bechert from SMG who's done an absolute extraordinary job with all of the events that have unfolded and accept our gratitude to all involved on behalf of the Board of Mayor and Aldermen and the City.

### **CONSENT AGENDA**

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

### **Informational – to be Received and Filed**

- B.** Copy of a communication from the Deputy City Clerk to Jutras Signs extending the City's appreciation for their donation in placing of banners on City Hall to honor the loss of Alderman Clancy.
- C.** Communication from the MHRA Executive Director submitting a report which sets forth the estimated amounts of funds for various projects to be requested by MHRA.
- D.** Copy of a communication from the MTA Superintendent of Transportation to Jay Taylor advising that beginning November 16, 2001, MTA will commence shuttle service for the Verizon Wireless Arena.
- E.** Minutes of the September 25, 2001 MTA Commission meeting and submitting the Financial and Ridership Reports for the month of September, 2001.
- F.** Minutes of the October 17, 2001 Mayor's Utility Coordinating Committee meeting.
- G.** Communication from Executive Councilor Colantuono advising of state assistance for airport security improvements, reconstruction and extension of Runway 17-35, and the airport noise program project for residential sound insulation.
- H.** Communication from the State of NH, Department of Transportation advising of a contemplated award in the amount of \$50,000.00.

- I. Communication from the Manchester Church of Christ extending their appreciation to the City for the use of the Pine Street Parking Lot.
- J. Copy of a communication from Mike Pelletier to Superintendent Tanguay and Dr. Grace Sullivan regarding MCTV.

## **REPORTS OF COMMITTEES**

### **COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION**

- L. Advising that it has accepted the monthly financial statements for period ending October 31, 2001 and is forwarding same to the Board for informational purposes.

### **COMMITTEE ON COMMUNITY IMPROVEMENT**

- M. Recommending that the Board authorize acceptance and expenditure of funds in the amount of \$19,152.00 for FY02 CIP 215802 REACH 2010 – Phase 2 Implementation Grant; and for such purpose a resolution and budget authorization has been submitted.
- N. Recommending that the Board authorize acceptance and expenditure of funds in the amount of \$2,000.00 for FY02 CIP 410402 MHRA Community Policing (federal dollars from the U.S. Department of Housing and Urban Development); and for such purpose a resolution and budget authorization has been submitted.
- O. Recommending that the Board authorize acceptance and expenditure of funds in the amount of \$12,500.00 from the Cogswell Benevolent Trust for FY01 CIP 221701 – Adolescent Pregnancy Prevention; and for such purpose an amending resolution and budget authorization has been submitted.
- P. Recommending that the Board authorize acceptance and expenditure of funds in the amount of \$1,000 from the 6% Incentive Funds Program Grant for FY02 CIP 211202 – 6% Incentive Funds Program; and for such purpose an amending resolution and budget authorization has been submitted.
- Q. Recommending that the Board authorize transfer and expenditure of funds in the amount of \$33,000 by decreasing FY99 CIP 720199A – MTA Equipment Replacement-Fareboxes by \$17,000 (Cash) and FY99 CIP 830499 – MTA Roof Replacement by \$16,000 (Cash) and increasing FY01 CIP 720101 – MTA Transit Bus Project by \$33,000 (Cash); and for such purpose an amending resolution and budget authorizations have been submitted.
- R. Recommending that the Board authorize acceptance and expenditure of funds in the amount of \$33,000 for FY02 CIP 411802 Juvenile Firesetter Intervention Project and place the program under the administrative umbrella of the Office of Youth Services; and for such purpose an amending resolution and budget authorization has been submitted.
- V. Recommending that with regard to a petition for discharge of a paper street listed as Phinney Avenue, the Board find that Phinney Avenue, having never been opened, built, nor used for public travel, has been released from public servitude pursuant to RSA 231:51.
- W. Advising that it has approved a request of the Police Chief to add a four-wheel drive

vehicle with plow, for use at the Police Station and sub-station facilities, to its fleet. The Committee notes that such vehicle is to be purchased with Local Law Enforcement Block Grant funds.

- X. Advising that it has approved a request of the Manchester School of Technology to place a 1998 van into service for its fleet and to dispose of three vans, two of which were formerly listed as registered with the school's fleet but which have not been in service for some time. The Committee notes that the van was purchased by the School of Technology in FY00.

#### **COMMITTEE ON LANDS AND BUILDINGS**

- AB. Advising that it has requested the City Clerk's office to put together a comprehensive listing of city properties reflecting usage of such properties with the cooperation of other city departments.
- AC. Recommending that the Code of Ordinances be amended by adding the following new section:

##### **97.34 ENCUMBRANCES PROHIBITED**

(D) Newspaper distribution boxes may be erected upon a street or sidewalk under the direction and supervision of the Public Works Director who may impose such reasonable time, place and manner requirements as are necessary to protect the public safety and convenience. Newspaper distribution boxes shall be subject to such reasonable insurance and indemnification agreements as the Risk manager may require.

#### **COMMITTEE ON TRAFFIC/PUBLIC SAFETY**

- AD. Recommending that a request from Robin Descoteaux, Chair of the Christmas Parade, for no parking on Elm Street between the hours of 9 AM and 6 PM from Webster to Granite Streets on Sunday, November 25, 2001 with a rain/snow date of Monday, November 26 for the 2001 Christmas on Elm Street Parade be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk Departments.
- AE. Recommending that regulations governing standing, stopping, parking and operation of vehicles be adopted and put into effect when duly advertised and posted.

**HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN WIHBY, DULY SECONDED BY ALDERMAN SHEA, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.**

- A. **Ratify and Confirm Poll:** approving sending a letter to the Board of School Committee strongly opposing the hiring of a human resources director, stating that the Charter question has passed by the voters; that the School District can utilize the City's Human Resource Director; and that if the school has the extra funds for this position, the funds could be utilized to reduce the school deficit.  
(Copy of letter sent enclosed.)  
(Aldermen Wihby, Sysyn, Pinard, Vaillancourt, Pariseau, Cashin, Thibault, Hirschmann, O'Neil and Lopez having voted yea. Aldermen Gatsas, Levasseur and Shea were not reached.)

Alderman Levasseur stated I did not get my vote in on this for the letter being sent to the Board of School Committee that Alderman Wihby came up with and I would like to have my vote recorded as yes.

Alderman Wihby moved to ratify and confirm the poll conducted. Alderman O'Neil duly seconded the motion.

Alderman Wihby stated I was looking over some minutes of meetings and at the first meeting in March of this year this Board spoke very harshly upon filling any new personnel/human resource positions and we said that we should be talking to schools and letting them know that they shouldn't be filling the positions because we knew if the question was going to be passed that we'd be working on something. They filled the position, your Honor, a \$65,000 position plus benefits, it's close to \$85,000, they complained that they didn't have enough money, were going to talk later on about a deficit that they had and that's \$85,000 that they could have put towards a deficit. Not only that, when I spoke with one of the members they said well, the Charter question doesn't take effect until July but we could have got started here, we could have worked out things with our Human Resources Director on our side to start putting something in place rather than wait until July when it all takes effect and all of a sudden they're thrown in someone's lap. We could have had a few months to work on this, your Honor, so I just think that what they did...again, I said it in the newspaper they snubbed their noses to the taxpayer, they spent an additional \$85,000-\$90,000 by passing this when they could have put this toward the tax rate and I don't know what it's going to take, your Honor. It doesn't sound like they're going to listen to us in July either. So, in March, the minutes of the meeting were clear...this Board said let's send them a message not to hire anybody.

Mayor Baines stated there will be six new Board members in January and I think there were four of us who voted against that motion.

Mayor Baines called for a vote on the motion to ratify and confirm the poll conducted. There being none opposed, the motion carried.

**K. Resolutions:**

“Amending the FY1999 & FY2001 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Three Thousand Dollars (\$33,000) from CIP 720199A & 830499 to FY2001 CIP 720101 – MTA Transit Bus Project.”

“Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twelve Thousand Five Hundred Dollars (\$12,500.00) for CIP #221701 – Adolescent Pregnancy Prevention.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of One Thousand Dollars (\$1,000) for FY2002 CIP 211202 – 6% Incentive Funds Program.”

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Nineteen Thousand One Hundred Fifty Two Dollars (\$19,152.00) for CIP #215801 – REACH 2010 – Phase 2 Implementation Grant.”

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Two Thousand Dollars (\$2,000.00) for CIP #410402 – MHRA Community Policing.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Three Thousand Dollars (\$33,000) for FY2002 CIP 411802 Juvenile Firesetter Intervention Project.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for FY2002 CIP 613002 Bethel Court Emergency Shelter Improvement Project.”

Alderman Levasseur stated he was in opposition to the last resolution relating to Bethel Court.

Alderman Pariseau moved that the Resolutions be referred to the Committee on Finance.

Alderman Lopez duly seconded the motion. The motion carried with Alderman Levasseur duly recorded in opposition to the last Resolution.

**Report of the Committee on Community Improvement:**

- S. Recommending that the Board authorize expenditure of funds in the amount of \$20,000 from the Affordable Housing Initiative Trust Fund for the FY02 CIP 613002 Bethel Court Emergency Shelter Improvement Project, with authorization to expend such funds to be subject to approval of the Committee on Lands and Buildings; and for such purpose an amending Resolution and budget authorization has been submitted.

Alderman Levasseur stated he was in opposition to Item S.

Alderman Pariseau moved to accept, receive and adopt the report of the committee.

Alderman Thibault duly seconded the motion.

Alderman Gatsas stated I have a problem that we're looking at this and we're looking for somebody to manage it without any idea of what the cost of that management position is going to be. Now, I don't think the City decided to invest in that property to not control the destiny of the property. So, I just have a problem that we're...the renovations should

happen, there should be some controllability about who's going in there from the Welfare Department, but I think there should be some sort of agreement that somebody is either going to do this for nothing without understanding.

Alderman Cashin stated if we wanted him to he would be happy to manage it for us (gesturing to Felix Torres).

Mayor Baines interjected but we are pursuing that.

Alderman Gatsas stated I don't question whether he's willing to do it, but I don't think that he said he was going to do it for nothing.

Alderman Gatsas stated I can't speak for the Mayor but I'm sure if the Mayor talked to him in his office he'd be more agreeable.

Mayor Baines stated I don't know about that but we are pursuing it.

Alderman O'Neil stated the item I pulled off was similar under Lands and Buildings (AA) having to do with Bethel Court. I asked in the CIP Committee and still don't know today...number one, who directed...

Mayor Baines interjected everybody who left, left on their own from what we were able to gather.

Alderman O'Neil stated it's awful funny, your Honor, that there were people living in there until we bought it. What I specifically remember and I can dig up the minutes of the meeting to prove this the vote of this Board was to work with the Manchester Housing and Redevelopment Authority to make sure that people were living in there. Somehow, I don't know who directed Welfare to do what they did, I don't know who directed Library to do what they did...this thing got out of control. It was not, in my opinion, I don't want to speak for my colleagues...but, it was not the intent of the Board to go through everything that's going on now with that building.

Mayor Baines stated we have got it back on track.

Alderman O'Neil stated know one has told me who took the lead on this.

Alderman Gatsas interjected I agree.

Alderman O'Neil stated that's my whole issue with this, we need people living in there, there's a housing shortage, but somebody made decisions that were contrary to the directions of this Board.

Deputy City Solicitor Arnold stated I guess for whatever enlightenment I can offer...first of all, in terms of the tenants that were in the building two of them moved out before the City acquired the building. The third tenant that was in there when the City acquired the building had been looking for a one-family home to live in and approximately a week or two after the City acquired the building he found one and came in to see me so that he could get his security deposit back. To my knowledge no one...especially on the City's side requested that they move out or requested that the landlord have them move out. In terms of...I guess the way things transpired at that point we had an empty building...I think there was some consensus that a good use for the building would be for people on public assistance in order to help reduce the bill that the City pays to put people up in hotels and that's where Sue Lafond came into the picture and we started looking at what would be the necessary improvements to the building to make it habitable or have it to the point where the City would be willing to put people in there.

Alderman O'Neil stated, Tom, that is contrary to what the Board voted on. I don't know how the departments could just make that judgment and if I have the Clerk do the research...

Mayor Baines interjected I think you're absolutely correct on it.

Alderman O'Neil stated I remember specifically talking about that night the Housing and Redevelopment Authority...they're across the street...I'll tell you one thing, I was never told that two of the units were vacant when we bought that building...I'm pretty upset about this and then when you try to get answers no one can tell you who made the call. Thank you, your Honor.

Alderman Levasseur stated when we purchased the building I didn't think the City should have gotten involved in that property in the first place, but since we went forward the people that I talked to that were constituents of mine moved out because there were things that needed to be fixed, they thought that they would eventually get booted anyway...they didn't feel secure living there because of all of the...they didn't have a landlord to call or somebody that they could call to and say the plumbing's leaking, the lights in the hallways didn't work...that was when the building was bought had all of these defects in them at the time, but at the time they bought it they thought they were going to take and rip it down and use it for a parking lot, but I will commend the Mayor's Office now because the building has been empty and they have been trying to at least get something done with that and by putting it in Welfare's hands because there is not very many spaces for people to go to. I don't think that

the City should own the building, that is the reason why I have been voting for it...I have been very consistent on that, but in the meantime the Mayor's Office should be commended because they have at least been putting that property to some kind of use. I don't agree that we should be spending the money to fix it, I think it should have stayed in private hands but in the meantime it's good to see that at least something is being done with it.

Alderman Gatsas stated maybe the City Solicitor can help me. What was the date of the purchase of the building.

Deputy City Solicitor Arnold replied I don't recall that off the top of my head.

Mayor Baines replied March...

Alderman Gatsas asked when was it vacant.

Deputy City Solicitor Arnold replied two of the apartments were vacant when the City bought the building, when we assumed ownership.

Alderman Gatsas asked when was the third one vacant.

Deputy City Solicitor Arnold replied one to two weeks later.

Alderman Gatsas stated so from April until November this Board has never been apprised of the situation after we made a \$150,000 investment with the understanding that those apartments were going to generate \$850 a month nobody ever told anybody on this Board.

Deputy City Solicitor Arnold stated I certainly don't believe I did, I can't speak for anybody else.

Alderman Gatsas asked does anybody on this Board ever remember anybody telling them.

Mayor Baines interjected no I don't think they did, you're absolutely correct.

Alderman Gatsas asked who made the recommendation that the work be done on the building, Welfare was going to be in charge of it...

Alderman Levasseur stated the tenants weren't kicked out, they left on their own. That is number one. I did call them because I wanted to find out myself.



Mayor Baines stated we can go back and find a lot at fault with this project and what happened was the Welfare Department assumed responsibility and began to make some moves in terms of getting some work done on the property. I know that Kevin and I were trying to do something around the Community Wide Day of Caring and we found that there were just too many problems in terms of issues with us getting into volunteers and that was in June, right Kevin. At that point in time, I think the issue came back and we asked some direction from the Lands and Buildings Committee. Frank, maybe you can fill in some of the gaps here when you were approached to look at it.

Alderman Cashin stated just to set the record straight...Lands and Buildings had nothing to do with authorizing any expenditures.

Mayor Baines stated you're absolutely correct on that.

Mr. Thomas stated we were asked to look into potentially making some of the improvements to the facility, I'd say about three weeks ago, maybe four weeks ago now and since then we did jump the gun a little bit...we cleaned out the basement area which quite frankly was a fire hazard and we also did some painting on the outside with our own staff. The estimate that we put together which is the basis of the \$20,000 is about half of what was estimated by the private sector.

Alderman Gatsas asked when did you know the property was vacant.

Mr. Thomas replied I didn't know it was vacant until I walked in and took a tour of it and that was about three to four weeks ago.

Alderman Gatsas asked does anybody know when it was...who was taking care of it before.

Mayor Baines replied I think it was the Welfare Department.

Deputy City Solicitor Arnold replied due to the fact that the building was empty Welfare kind of took a lead on it because it was empty...Sue began exploring having the various City departments in there such as Housing Code, Fire to determine what was needed to make it habitable and she also started the search for...at that time, a private contractor to come in and perform the work under the assumption that it would come out of her budget, I believe.

Mayor Baines stated now whether that should have happened or not is what happened.

Alderman Hirschmann stated the Library Board of Trustees were in front of us and Mr. Devine, a Trustee, requested to buy Bethel Court so I would think that when the purchase and sale happened that this was an asset of the Library Trustees...

Mayor Baines interjected that is probably what happened.

Alderman Hirschmann stated that is probably why it's not in Lands and Buildings.

Deputy City Solicitor Arnold stated that is certainly how Mr. Brisbin got involved.

Mayor Baines reiterated that is how Mr. Brisbin got involved, he did mention that early on. But, I think Alderman Hirschmann is correct in what happened.

Alderman Shea stated I think there are two distinct differences here. The first question is repairing the structure and Lands and Buildings agreed that it should be upgraded so that people could live in it. The second point that Alderman Gatsas is bringing up is who is going to manage...I think these are two separate questions. I think the first question we have to settle is obviously it has to be upgraded to the point where it is habitable. The second point is once we do that then we would find whether a management in the form of maybe Felix Torres, I believe, or someone else could take over its management, but if we wait forever to upgrade it, I think it will continue to disintegrate and there will be a prolonged period of time before anyone can inhabit it, so these are (I think) the two distinct questions that we need to separate.

Alderman O'Neil stated what concerns me...a couple of things. Number one, it was City money that bought it not Library Trust money, so I don't know how the Library Trustees have control over what happens with it.

Mayor Baines stated I don't think they do, I think that's what happened as Alderman Hirschmann explained. Now, we have to move forward.

Alderman O'Neil stated the second issue that bothers me is if they're saying the conditions to live there were not proper and we have to put all this money...where was Housing Code and Fire before all this, that bothers me. There wasn't an issue until we bought the building, that bothers me. It should have been an issue before that if the standards were not to the highest there. This thing just got out of control.

Mayor Baines stated we are now in the process of getting it back under control...

Alderman O'Neil interjected, your Honor, no one can tell me for sure who took the lead on this. All I see is pointing to other departments. All I want is for somebody to stand up and say we took the lead. Can I get that answered.

Mayor Baines replied I don't think anybody has these answers tonight.

Mayor Baines called for a vote on the motion to accept the report of the committee recommending expenditures in the amount of \$20,000.

Alderman O'Neil moved to table. This is a tough way of doing City business, I'll tell you that. The Board directs them to do something and departments just take it under their own and go in any direction they want.

Mayor Baines stated we're acting on something that came out of the CIP Committee.

Alderman O'Neil stated the CIP Committee allowed it to go to Lands and Buildings and I think...Alderman Cashin, back me up on this, that night we asked for some answers...I'm not sure I didn't attend Lands and Buildings, but they certainly knew I was interested and never got a call from anyone about what went on with it.

Mayor Baines stated the only thing I would ask the Board is that we need to move to get this thing fixed, we can answer all your other questions. Efforts from our office is to get this back on track when we became aware of this thing getting bogged down. So, I would ask this Board to move this forward and then we can get your answers on the other questions.

Alderman Shea stated I will make a motion to move it forward if that is what you want. Let's take a roll call to table it then.

Alderman Cashin stated you've got a building, it's vacant...for \$20,000 you can put it into livable conditions, you're going to get approximately \$2,500 a month out of the building and in a very short period of time you're going to get your money back. Now, we can argue about how all of this happened and point fingers and all that stuff and that can all be answered as a later time. But, let's go on, get it livable, let's rent it and then you can do whatever you want. But, let's not hold it up.

Alderman Gatsas stated for some reason somebody wants to have people believe that the construction on this building has stopped. Frank, has it stopped.

Alderman Cashin interjected I don't believe it has.

Mr. Thomas replied yes it has. All we were willing to commit ourselves (without any authorization) was to eliminate the fire hazard and to do the outside painting of the trim. So, we have not moved forward.

Alderman Gatsas stated so it's stopped for approximately two weeks.

Mr. Thomas stated approximately three weeks now, yes.

Mayor Baines stated I will call for a vote on the original motion and not to table.  
The motion carried with Alderman Levasseur duly recorded in opposition.

Mayor Baines stated we will get your answers, Alderman O'Neil, the best we can.

Alderman O'Neil stated I asked for them a week ago and still don't have them today.

Mayor Baines stated we will do the best in terms of getting answers, but there are some problems in getting certain answers right now.

Alderman Hirschmann stated if we invest this \$20,000 the building's not going to be torn down because the Library Trustees did tell us when all the apartments were empty they would tear the building down.

Mayor Baines stated we're not tearing it down.

Alderman Hirschmann stated that was apparently what they wanted to do. I remember that meeting, your Honor. That was their goal to make it into a parking lot which is why it was acquired. When all the other buildings were vacant they were going to tear it down.

Mayor Baines stated we're not going to authorize any buildings to be torn down unless we came back to this Board to get authorization.

**Report of the Committee on Community Improvement:**

- T. Recommending that a request of the Chief of Police to adjust the scope of the CIP 830100 Police Station and Human Services Building project to allow some of the funds for that project to be utilized for major improvements and renovations to the firing range be granted and approved.

Alderman Levasseur stated I don't want to make this a big event. I just want to ask CIP, Mr. O'Neil, on T how much...did they give you a cost on item T.

Deputy Clerk Johnson replied we have a budget authorization that was going to come up in the Finance Committee that went with the report.

Alderman Levasseur stated this will come up in Finance.

Deputy Clerk Johnson replied yes.

Alderman Levasseur stated I will abstain until Finance then.

Alderman Pariseau moved to accept, receive and adopt the report of the committee.

Alderman O'Neil duly seconded the motion. The motion carried with Alderman Levasseur recorded as abstaining.

**Report of the Committee on Community Improvement:**

- U. Recommending that the Board authorize up to \$210,000 of expenditures for the CSO Coalition/Merrimack River Study; such expenditures to be paid from the sewer fund allocation for CSO studies, CIP 760500; and further authorize the Mayor to execute all necessary documents related to the study upon review and approval of the City Solicitor.

Alderman Levasseur stated I just wanted to know what the study was...there is nothing attached with this telling me what U is. Is that just the Hands Across the Merrimack or is this a different kind of study.

Mayor Baines replied this is related to the fact that we've put together a coalition of Manchester, Nashua, Haverhill, Lawrence and Lowell and it's a cooperation of these cities to look at making sure that there are proper studies done of the conditions of the Merrimack...this is related to the cost of the CSO Project which in Manchester is \$52 million, in Nashua it's over \$100 million and down in Massachusetts they could be approaching \$100 million plus and what we're trying to do is worth as a unit of cities to pressure the federal government to do the kind of studies that are necessary to make sure we're not spending money inappropriately and that's the sum and substance of this and I'll ask Frank to expound upon that.

Mr. Thomas stated that is correct. All these communities have CSO (Combined Service Overflow) and as you know Manchester's first phase is approximately \$58 million, \$52 and then the supplemental environmental projects. The communities have gotten together and received a matching grant from the federal government to study the entire Merrimack Watershed so that we don't waste money in the CSO effort.

Alderman Shea stated, Frank, at one time the Combined Sewer Overflow was going to cost the City (I believe) close to \$140 million or so and then it was brought down to a different number.

Mr. Thomas stated we've negotiated the CSO agreement with Manchester in two phases. The first phase is something that we agreed made sense to do. The second phase was left up in the air because, quite frankly, we couldn't see spending another \$30 million to address one-tenth of one percent of the problem and so we're going ahead with Phase I. Phase II is undefined yet between this Merrimack River Study and additional studies we hope to knock down this second phase.

Alderman Shea asked what will the total estimated cost be. Do you have a ballpark figure on that when it's all completed.

Mr. Thomas replied as we've been mentioning the first phase is \$58 million, the next phase could go anywhere from \$10 to \$40 million. Of course, we want to keep it on the lower side.

Alderman Shea inquired as to the third phase.

Mr. Thomas stated hopefully there won't be any third phase.

Mayor Baines stated I don't know if any of you caught this announcement and it hasn't been official yet that we're pretty certain that we're going to be receiving over \$3 million in earmarked funds for this project and you also need to know that that was a lot of hard work and lobbying by a number of us. I went to Washington and met with the Congressional Delegation...Frank has been in conversation...we've had several meetings here at City Hall and at other places with Senator Smith and Congressman Sununu and as a result of that we are going to receive (I think) around \$3.5 million to help us with these CSO expenditures, so that's a very significant achievement.

Alderman O'Neil moved to accept, receive and adopt the report of the committee authorizing up to \$210,000 of expenditures for the CSO Coalition/Merrimack River Study. Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

**Report of the Committee on Lands and Buildings:**

- Y. Recommending that the Board of Mayor and Aldermen accept a donation of property located behind McDonalds on Second Street from Mr. W.W. Vanderwolk, Jr., including lots on McQuesten Street (652/7, 652/27A, 652/28 and 652/28A) and lots on Hale Street (652/18, 652/19, 652/19A and 652/19B) subject to current taxes being paid for the purpose of conservation and park land, and that this land be designated to the jurisdiction of the Parks, Recreation & Cemetery Department. The Committee further recommends that the City Solicitor be authorized to prepare, have executed and record documents as may be required.

Alderman Pariseau moved to accept, receive and adopt the report of the committee.  
Alderman O'Neil duly seconded the motion. The motion carried with Alderman Levasseur duly recorded in opposition.

Mayor Baines stated I want to publicly thank Mr. Vanderwolk for coming forward with the offer for property which I think is going to significantly enhance preservation of these natural resources in that area and I commend the Board for that vote.

**Report of the Committee on Lands and Buildings:**

- Z.** Recommending that a request from Jay Taylor, Economic Development Director, to form a staff committee consisting of the Finance Director, Planning Director, City Solicitor and Economic Development Director to participate with the Manchester Housing and Redevelopment Authority to develop an RFP process for selecting a qualified firm to market the French Hall property be granted and approved.

Alderman O'Neil stated a quick question for Jay Taylor. Jay, I know over the years there has been discussion with the School District with regard to this building...how does that affect you moving forward.

Mr. Taylor replied as you know we acquired this building on November 1, 2000. At that time, the School District did emit some preliminary interest in the property and asked us to hold it off the market while they did some studies. I spoke with the Superintendent recently who indicated that while they do have a continuing interest in the property, they have no financial resources with which to do anything with at this time and had to specific plan in mind. My intent here is simply to try to get this building back on the market so we can get a tax paying entity in there if, in fact, there is no ability by the School District to do something with the property and this is simply an attempt to try to get this process started so that we can get that building back into productive use.

Alderman Pariseau moved to accept, receive and adopt the report of the committee relative to the formation of a staff committee to market the French Hall property. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

**Report of the Committee on Lands and Buildings:**

- AA.** Recommending that the funds for repairs to 2 Bethel Court be released for expenditure and that the Mayor be authorized to proceed with plans to utilize the building for emergency housing and to locate an organization to manage the property.

Alderman O'Neil moved to accept, receive and adopt the report of the committee. Alderman Wihby duly seconded the motion. The motion carried with Alderman Levasseur duly recorded in opposition.

4. Mayor Baines made the following nominations:

**Water Works Commission**

Raymond W. Provencher to succeed himself as a member of the Water Works Commission, term to expire January, 2005.

On motion of Alderman Thibault, duly seconded by Alderman Cashin, it was voted to suspend the rules and confirm the nomination of Raymond W. Provencher as presented.

5. A report of the Committee on Community Improvement was presented recommending that a request for \$15,000 for the Valley Cemetery Master Plan be approved and for such purpose an amending resolution and budget authorizations have been submitted.

Alderman O'Neil moved to accept, receive and adopt the report of the committee. Alderman Wihby duly seconded the motion. There being none opposed, the motion carried.

Resolution:

“Amending the FY 1999, FY2001, FY 2002 Community Improvement Programs, transferring, authorizing and appropriating funds in the amount of Fifteen Thousand Dollars (\$15,000) for the fiscal year 2002 CIP 810001 Valley Cemetery Master Plan Project.”

On motion of Alderman Wihby, duly seconded by Alderman O'Neil, it was voted that the Resolution be read by title only and it was so done.

Alderman O'Neil moved that the Resolution be referred to the Committee on Finance. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

6. A report of the Committee on Traffic/Public Safety was presented recommending that a new agreement with McQuades for a parking validation program in the Middle Street Parking Lot be entered into effective January 1, 2002 as follows:

- 1) The agreement cover the rental of 30 spaces @ \$5.00 per space per month for validation parking only during the hours of 8:00 AM and 4:00 PM Monday through Friday;
- 2) That McQuades agree to utilize validation parking only bags on the meters and that such bags be purchased from funds cooperatively with the merchants and Traffic Department;



3) That McQuades agree to place and remove the validation meter bags on the meter heads at the meters so designated by the Traffic Director at times determined by the Traffic Director to meet the terms and intentions of the agreement; and

4) That the Traffic Director be authorized to execute such agreement subject to annual review of the Committee on Traffic; such execution subject to review and approval of the City Solicitor and Risk Manager.

The Committee recommends that the following regulations governing parking be adopted and put into effect when duly posted and advertised:

*Metered Parking Unless otherwise posted*

2 hours 8:00 AM to 8:00 PM Monday through Saturday

Middle Street Lot

*2 hour Validation Parking Only – 30 meters,*

Monday through Friday 8:00 AM to 4:00 PM When Posted

Middle Street Lot

*Parking for City Hall Only When Posted*

Middle Street Lot

The Committee further recommends that the Traffic Director be authorized to expend up to \$10,000 for meters for the Middle Street Parking Lot. The Committee notes that such funds are not presently available in the Traffic Department budget.

Deputy Clerk Johnson noted she did speak with the Finance Officer shortly before this meeting and he has indicated that contingency would be the appropriate place to take that from after as a separate motion after the report is accepted.

Alderman Vaillancourt moved to accept, receive and adopt the report of the committee.

Alderman Pariseau duly seconded the motion.

Alderman Gatsas asked what happens to those spaces after five o'clock.

Deputy Clerk Johnson replied they would be metered spaces at \$.50 per hour unless there is a civic center event and City Hall events going on consecutively at which time it would be City Hall parking posted.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Mayor Baines asked the Clerk for the next item.

Deputy Clerk Johnson replied a motion would be in order to approve \$10,000 be transferred from contingency to the Traffic Department for the purchase of meters.

Alderman Sysyn moved to approve that \$10,000 be transferred from contingency to the Traffic Department for the purchase of meters. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

### **OTHER BUSINESS**

9. A report of the Committee on Finance was presented recommending that Resolutions:

“Amending the FY1999 & FY2001 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Three Thousand Dollars (\$33,000) from CIP 720199A & 830499 to FY2001 CIP 720101 – MTA Transit Bus Project.”

“Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twelve Thousand Five Hundred Dollars (\$12,500.00) for CIP #221701 – Adolescent Pregnancy Prevention.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of One Thousand Dollars (\$1,000) for FY2002 CIP 211202 – 6% Incentive Funds Program.”

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Nineteen Thousand One Hundred Fifty Two Dollars (\$19,152.00) for CIP #215801 – REACH 2010 – Phase 2 Implementation Grant.”

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Two Thousand Dollars (\$2,000.00) for CIP #410402 – MHRA Community Policing.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Three Thousand Dollars (\$33,000) for FY2002 CIP 411802 Juvenile Firesetter Intervention Project.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for FY2002 CIP 613002 Bethel Court Emergency Shelter Improvement Project.”

“Amending the FY1999, FY2001 & FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Fifteen Thousand Dollars (\$15,000) for the FY2002 CIP 810001 – Valley Cemetery Master Plan Project.”

ought to pass and be enrolled.

Alderman Levasseur stated this issue about renovating the Police station, is this being voted on.

Deputy Clerk Johnson replied that was the one that I just mentioned when you were in Finance Committee, we had added that on and I had stated that that was the one that there had been questions raised earlier.

Alderman Levasseur stated the only question I have is was this money out of what we had originally...it was money left over. So, does this mean that we've decided that were we not ever going to build another Police station somewhere else.

Mayor Baines replied all this means is that there are no plans to do that and we're going to renovate the existing station with this money.

Alderman Pariseau moved to accept, receive and adopt the report of the Committee on Finance. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

**10. Discussion with the Finance Officer regarding FY2002 appropriations and expenditures.**

Mr. Clougherty stated we just wanted to keep the Board informed of our concerns about the trend in the Welfare expenditures this year. I'd like to let the Board know that we've met with the Committee on Accounts last week. The expenditure patterns for October is exceeding what the appropriation level is and if we're looking at some corrective actions that we're going to have to take. In order to come up with the best estimates of what the overage might be and try to come up with some recommendations for the departments involved we have asked the Internal Auditor to go in, he is starting tomorrow and over the next two weeks we hope to have better information so I guess we're alerting the Board that at the next Aldermanic meeting we'll be coming back to you with some specific recommendations in how to deal with the situation, but it has not subsided and we're still seeing that same level of expenditure and it's still a concern and we'll be back at the next meeting.

Alderman Levasseur asked what are we expecting for a number. She's down to \$500,000 and we're only a quarter of the way through. Where are you expecting at the end.

Mr. Clougherty replied if you were to project forward the pattern as it is now without any changes in policy or other things to try and reduce the cost you're looking at over a million dollars in excess of what the budget is.

Mayor Baines stated Kevin is also going to be sitting down with the Commissioner-Elect to review all the situations and we'll obviously be looking at policies, procedures, protocol within that department to see if we can make some adjustments over there as well.

Alderman Levasseur in reference to the prices of gas and oil having dropped precipitously compared to what we were last winter and I know we made the adjustments in the budget, your Honor, are we going to realize any savings or did you already purchase your oil and gas in August to get the best price. Is that going to be a place where money can be saved.

Mr. Thomas replied I don't have an answer for you. I believe we may have locked in both fuel oil prices and gas prices when we put out the bids early on this year. I will have to get back to the Board on that.

Alderman Gatsas asked, Frank, does the entire City buy all the gas from one vendor.

Mr. Thomas replied we put out bids for both fuel and gas and I believe all of the departments have the ability to purchase off of that acquisition. So, to answer your question, yes.

Alderman Gatsas stated MTA, everybody is purchasing off of that bulk.

Mr. Thomas replied I believe so.

Alderman Gatsas asked about airport.

Mr. Thomas replied I'm not sure about airport.

Alderman Vaillancourt stated I'd like to go back to the discussion about the Welfare overspending or potential. Kevin, you projected out for the full year would be about a million dollars.

Mr. Clougherty stated in excess of a million.

Alderman Vaillancourt asked do we have any idea if that's because the price has gone up or I guess hotel rooms or if it's because of more people of a combination thereof, do you have any explanation.

Mr. Clougherty replied that is one of the reasons why we've asked the Internal Auditor to spend the next two weeks to go in and do that analysis for us, Alderman, so that we can make decisions and make some recommendations to you at the next meeting.

Mayor Baines stated with the severe housing crises we have in the City...there are no places to put people and we're using hotel rooms...

Alderman Shea stated to refer back to what Ted Gatsas was asking...years back the School Department used to take different vendors. They would have one vendor one year and then another vendor for oil for the buildings, so in essence I believe it would probably be on a bid basis, but it was rotated I thought at one time.

Mayor Baines asked are there any other question of the Finance Officer.

Alderman Levasseur stated when this came into Accounts...September unemployment of 2000 was actually 2,500 and this year in September it's 4,000 so we're 1,500 more people and like you said, your Honor, we'll be looking for...that is why Welfare is going to have more pressure on them, so you're going to have to watch that unemployment number also.

Alderman Wihby stated I see Ron Chapman here and I had asked him to come forward because I was going to get some numbers of some meetings and some of the discussion that I want to do is talking to the Finance Officer about things that I heard, so I don't know if I should bring it up now or do you want to wait.

Mayor Baines asked, Alderman Gatsas, do you have questions referring to the present and then we can go back to Alderman Wihby.

Alderman Gatsas replied yes. Kevin, do we have any idea of the amount of rooms that we projected in the budget versus what we've spent in the first four months.

Mr. Clougherty replied there was a base on that, Alderman, which is one of the things we've asked him to go over and look at over the next two weeks so that when he comes in he can provide that statistical information to the Board and show what the trends have been and he is prepared to do that with graphs...so the purpose of tonight is to really kind of ask the Board to be aware that at the next meeting we may have a lengthy discussion to try and make this presentation.

Mayor Baines asked is there anything further on this discussion before we go into a little bit different direction.

Alderman Gatsas stated I guess to go back to when Jay Taylor was up here talking about French Hall. I guess I would look at that and say what would the renovations costs be to include that into some sort of housing. If we're going to spend a million dollars in housing doesn't it make sense that we look at something for future use rather than just continue

expenditure rather than saying we have an asset we now control this. I would think that if it is going to be a million dollar number...

Mayor Baines stated it's a very significant issue and I think a challenge that we're going to have to talk about, there's no question about it. Kevin, do you want to add anything to that.

Mr. Clougherty stated all those things are valid and if the trend...as Alderman Levasseur pointed out are disdained we have an issue here that we're going to have to deal with and there's not going to be one answer, we're going to have to take a creative approach to this and that's what we're trying to come back with for next week.

**11. Results of tax rate setting to be forwarded under separate cover.**

Alderman Wihby asked can Ron Chapman come forward. The Clerk passed out something earlier, it has a black clip on it. I don't know if Ron has one. At the last meeting, on our first handout, number 1, basically the question that Finance blacked out it said "Alderman Wihby stated so in June when the budget passed you had no idea what the revenue number was. Mr. Chapman stated we knew what we presented to the Board of Mayor and Aldermen. Alderman Wihby stated you didn't know what this Board used for revenues for the School in June when the budget was passed. Mr. Chapman responded that's right, that is what I am telling you." Your Honor, I saw part of the School Board meeting the other day where the School Board members had their huffy fits blaming the Aldermen for changing numbers, blaming Finance for changing numbers saying well, how can that be done and Mr. Chapman saying well, geese, I didn't know anything of it and then tuition. So, I guess one of my concerns is that on page 9 of that first handout and I hadn't realized he had said it when we were here but halfway through it says we reduced it \$100,000 so that we would be able to meet the guarantee that we had that we would help to reduce the deficit between 2002 and 2003 by a half million dollars and I guess I didn't hear him say that, your Honor, but I'm very concerned with something like that because that's not taking care of the deficit... that's just putting it to this year rather than the year it's supposed to be in. Basically, where I want to go on the second handout on page 2 if you look at what's there basically on March 1<sup>st</sup> the Mayor's budget if you look at that number \$18,919,079 that was the revenues other than the adequate grant and the state tax and that is what you used in your budget, your Honor, on March 1<sup>st</sup>. Now, the School Department number is the first number and if you see the difference there it's \$500,000 (and that's in bold). Basically, that \$500,000 is interest income and that was the only number that was changed from the School number and that was done in March. If you go to the third handout it shows on page 61 Mr. Tanguay is talking and basically he's saying that for the fiscal year 2001 he is going to have \$650,000 to \$700,000 in interest income and then I asked the question, "so do you expect another

\$650,000 at least and we were talking about fiscal year 2002...when he answered correct which means he was expecting \$650,000...this was on May 31<sup>st</sup> and if you go to page 63 the Mayor clarifies everything that happened by saying "I put in \$500,000 in the revenue number for interest income." So, it's very clear, Mayor, that you had it in your number in March and on May 31<sup>st</sup> the Superintendent was even talking about it and he thought it was \$650,000-\$700,000 and we only used \$500,000. If you go back to number 2 the 6/5 number the \$19.059...now what we did on 6/5 was we had a meeting, a Special Board meeting and discussed all the numbers and we left that meeting and we said we wanted the Clerk to send out something to all of the departments asking if they agreed with our numbers and all we did was change two different numbers from your number, your Honor, from March...so on June 5<sup>th</sup> we changed two numbers. We changed Food Service \$65,000 and we changed Impact Fees \$75,000...those were the only two numbers we changed on June 5<sup>th</sup> other than what you had, your Honor, on March 1<sup>st</sup> that they were working with. But, if you go back to the fourth handout again the first page of that fourth handout...basically, what that was on June 5<sup>th</sup> was a letter to the departments that says "All Department Heads" asking them please refer the Aldermen's recommended expenditures and revenues columns and basically we said to them if you don't agree with them let us know by June 6<sup>th</sup> and the second page of that is what we discussed, what was changing...if you look at the number it's \$19.059, just \$130,000 more than your number, your Honor, and if you look at the back page of that it's acknowledgement from the Superintendent on June 7<sup>th</sup> referring to a \$115,800 expense...nothing about the revenue, but we specifically asked them to check both numbers and let us know if there was a problem. So, on June 7<sup>th</sup> we got a letter back from the Superintendent agreeing with what we had done, if he read it, maybe he didn't read it, but he signed it. On June 11<sup>th</sup> the new number went up \$50,000 and that was because of the Medicaid money and if you look at number 5 handout (a single page) which shows we added the \$50,000 and why, but if you look at the last handout (#6) it's a copy to Ron Chapman from Red Rusczeck on June 4<sup>th</sup> sending his 20 copies of a school nurse recruitment and retention telling him that he is going to be asking us to put in an additional \$50,000 in Medicaid and asking for his support and we never heard anything from Ron, it was cc'd to the Superintendent, so everybody's got a copy of it and then there was a communication (the last page of that) from Fred Rusczeck that he wanted \$50,000 in Medicaid money. So, one page on page 2 the number that was changed since your budget, your Honor, was basically the \$65,000 for food service which looks like that was a duplication of a number, the impact fees was changed but they agreed to that number, so that's not really wrong and the Medicaid number was sent to us by Fred Rusczeck on June 5<sup>th</sup> cc'ing Ron Chapman who says he doesn't know anything about these numbers on June 5<sup>th</sup> and we passed that number on June 11<sup>th</sup>. There are six numbers that changed (last column on the second page)...School Building Aid and the Catastrophic Aid...those two numbers should have been picked up by Schools...my understanding was picked up by our Finance Department, we had to call them up and say that we happened to call down to the State and they told us that the number's

changed...I guess we should have called, but we didn't, so we didn't know about those numbers; that's the responsibility of Finance of the School Department. The Medicaid number was changed \$50,000 pursuant to a letter on June 5<sup>th</sup> from Fred Rusczek explaining why...the Tuition number was changed because tuition was down, nobody can argue if it's down that's the number...Food Service was a duplication of \$65,000 but Interest Income was back on March 1<sup>st</sup> that they knew we had put \$500,000 in there. So, to make a statement and go to the Board of School Committee trying to blame the Aldermen for changing numbers, trying to blame Finance for changing numbers, trying to say the only number I knew about is the number I put in there and that was Tuition at \$474,000...making a statement that while we threw in an extra \$100,000 in case we want to make our Debt Service for Fund Balance bigger so we can make sure we achieve our goals that we told you we were going to set all those, your Honor, tells me that the School Department still does not have their accounting in gear, that to make a statement I think this Board and the School Board...I'm not faulting the School Board, they just listened that night and went on from there. I just knew these numbers and no one else had them, everybody else just changed them on me, but I think our Finance Department who was thrown through the mills that day and this Board for changing numbers needs an apology from Mr. Chapman because these numbers clearly show that if they had looked on June 6<sup>th</sup> which is the responsibility of the Superintendent and the Business, Finance and whoever else they have over there (accountants, auditors, whoever they have) that they would have found these numbers there and they could have brought it to our attention on June 11<sup>th</sup> when we were passing the budget. Instead, they want to throw the blame on the Aldermen by saying well, we overestimated a million dollars, we didn't know anything about interest income or we words from Mr. Tanguay saying it could be as high as \$700,000 and I'm just concerned, your Honor, that the public doesn't really realize that it's not the Aldermen's fault or City Finance's fault that this tax rate went up because I've gotten a few phone calls saying what did you do to us. It was the inability of the School Department Administration to see this early enough and to make changes rather than to wait six months into the year, but to make changes as it went along.

Mayor Baines stated if you watched the meeting you will see that I made very similar comments...

Alderman Wihby interjected I'm not blaming you, your Honor.

Mayor Baines stated I just wanted to clarify because the Board may not have watched the meeting and I made it very clear that somebody on the School District side should have watched the numbers, I went through the chronology, I didn't have obviously the research that was done here.



Alderman Wihby stated they were yelling at you, your Honor. You were trying to defend what was going on and they weren't listening and all I was hearing was well, that's the number and that's the number we were given and we didn't know anything about it and you were trying to explain to them...wait-a-minute, you might not have known a small part about it, but you knew the bulk of it and nobody was listening on that Board, your Honor. They chastised this Board and City Finance for changing numbers on them when we didn't change anything on them and everything was done by June 11<sup>th</sup> that was in here.

Mr. Chapman stated what I said was our numbers which are revenue numbers we went with those numbers in May.

Alderman Wihby asked why would you go with those numbers in May when you knew in June that they would change.

Mr. Chapman replied when we made our presentation to the Board of Mayor and Aldermen those were the best numbers we had. We did not go back, nor did I go back and take a look at it because...hindsight being what it is basically what our thought process was is that the numbers were probably going to change anyway in September...they always do...that is why DRA sends out the MS-24 form. The numbers that are used in May during the budget process...I think that where we are today compared to what our revised School figures were as of May 31<sup>st</sup> is within, I think, \$50,000 of where we were in May. Our numbers looking at your sheet has stayed relatively constant. Yes, we made some changes but no we did not pick up interest income, yes we did back off in May on our impact fees, but as I explained to you a couple of weeks ago when we were sitting here in the Chamber presenting our budget that we were apprised of the situation that our number might be too high based on Mr. MacKenzie's comment at that time...we backed off some numbers in May. No, we did not budget the interest income and \$100,000 from our perspective in Medicaid based on information we had from our Medicaid people was probably a bigger number that we had at that point. As you can see after we had our discussion here a couple of weeks ago we had a meeting with the Mayor, we sat down and looked at our information...the information as you mentioned that the DRA had for Catastrophic Aid as well as Building Aid...historically, DRA changes those numbers at tax rate setting...they're based on numbers that DRA receives sometimes in August or September and I have for my MS-24 forms...should I have called DRA and asked them what the new numbers were...probably. DRA normally in my past experiences called me and told me if they were going to change any numbers with regard to Catastrophic Aid, so that's not an excuse but that's usually what happens there. With regard to...we went back to look at the tuition and I admit that I put in \$100,000 to make sure that we were going to be there for the commitment that we've made with the Declaratory Judgment. We came back and we decided that we could increase our number to some extent on that line. We went back and looked at the interest income and based on our

information we would have \$186,000 in total for the year as of November keeping with the Declaratory Judgment and the City agreed to do a cash flow rather than a tax collection type basis for cash flow. Having done that we went back and took a look at that number, we realized also that the City had bonded or was in the process of rebonding and we knew at that time that we had been notified by the Finance Department here at the City that we were going to be charged with some sort of interest expense which would reduce our interest income, we took that into account and we reduced our interest income to \$100,000. I still stand by my statement that I did not at that time that I came forward here although I had seen pieces of information, I did not have a full layout similar to what we presented to the Board of Mayor and Aldermen that identified all of the changes that had been made in our audit. All they said at the time at the School Board meeting was that we need both way better communication, I think the Mayor was there and I realize that. I just think that this could be improved in the future and if that means you need to improve and I need to improve we will.

Alderman Wihby stated we always say yup, well in the future we need to improve, but it doesn't seem like we do anything. On that number 5 handout that tells you exactly everything that we did since the Mayor's budget...that is what 5 is...everything single thing that we changed. Since the Mayor gave you his number in March to the Aldermen's budget in June we only changed \$190,000 out of \$18-\$19 million, \$190,000 was all that was changed from the Aldermen of which one item you agreed to and the other (Medicaid) that you have the letter and knew about on June 5<sup>th</sup> to say again...I'm going to quote what you said "you didn't know what this Board used for revenue to the School in June when the budget was passed"...responded 'that's right, that's what I'm telling you.'" You said you didn't know what the Aldermen gave you for a revenue number when the budget was passed and you've never gone to look it up since until last week and then you were shocked because it was different and it was the only thing that was different from the Mayor's number to our number was \$190,000 and to sit there and say we're going to do better and yeah this number was that and we did this and we did that...I'm going after your comment. If you had sat here and said...numbers changed and we messed up, but to blame the Aldermen for it by saying you didn't know and then go to the School Board and get them all riled up by saying someone changed the numbers on us and then it sort of looked like it was our City Finance that changed the numbers...at least that is the way the School Board members were taking it...I had to get these minutes. I couldn't even watch the show a second time, I don't usually but I heard that part and the second time I just happened to turn it on and they were on it and I couldn't watch it because I was steaming so much, but it is plain in the minutes here that Mr. Tanguay talked about the interest income from the beginning, the Medicaid money was talked about, the impact fees were agreed to...almost all of these numbers, your Honor, were agreed to at one time or another...mostly, in March and to sit here in November and say I only found out a week ago what the revenues were. Someone wasn't doing their job because the first thing I would have done when I got a budget I would have gone back and I would

have looked at what was passed and I would have figured out what revenues, what expenditures there were, have someone sign the thing saying they had done that and cc Mr. Chapman saying that he did do that and we asked them to do that and everything was fine and all of a sudden you start blaming the Aldermen for numbers that are changed when they signed off on it, your Honor.

Mayor Baines stated the only thing I'd like to say of Mr. Tanguay...he is the Superintendent of Schools, Mr. Chapman works for Mr. Tanguay.

Alderman Wihby interjected Mr. Tanguay should have been here.

Mayor Baines stated we did request him to be here, we left a message...I was out most of the afternoon doing something with the Chief and I left a message asking him to attend this evening.

Alderman Wihby asked what happened.

Mayor Baines replied Mr. Chapman was sent, I guess, I don't know...do you know anything more about that.

Mr. Chapman replied basically the numbers...

Mayor Baines asked did Mr. Tanguay ask you to represent him here tonight.

Mr. Chapman replied the numbers are my numbers, so that is why I'm here.

Mayor Baines stated the buck stops at the Superintendent of Schools. The thing that I am concerned about and I'll repeat what I said at the School Board meeting and I'm not beating up on you in any way, shape or manner...no one is paying attention to detail and when you run an organization as large as the organization that we run in the City I can assure you on the City side in the role that I have in working with the Finance Officer we pay attention to detail and numbers and we're not seeing the same thing happening on the School side. Those numbers were there as I explained at the School Board meeting, the revenue numbers...we made a point, the Board of Mayor and Aldermen made a point the previous budget about the interest income being income exactly what it was. We've put everything in writing in terms of the Board, it was documented this evening...no one is paying attention to those numbers and that's what happens when we get into a situation that came to my light the day after the election. When I got on the phone that morning with Mr. Clougherty he came right up with me, I got Mr. Tanguay on the line...I get the impression there wasn't any understanding of what I was even talking about in terms of the discrepancies we were talking

about and that was very troublesome and that's why we get into situations like this and I think the public watches us and says here we go again. No one is paying attention to numbers. If everyone would pay as equal attention to numbers, I don't think we would be in this situation especially if we're talking about revenues versus appropriations. A comment was made the other night at the School Board meeting while I was looking at appropriations. Well, you know in running a business and government is business, we also look at revenues and we're going to have to take some steps over the next few weeks on this side because there are several issues that are happening...mainly, the Welfare situation with some other things that we're monitoring...pulling back some expenses and I agree with Alderman Wihby in this regard. Everything was well-documented in terms of our communication, but no one is paying attention to detail on the School side and that's not acceptable.

Alderman Wihby stated it hurts the taxpayer.

Mayor Baines stated it hurts the credibility of government and that's where I'm more concerned. The customer is the taxpayer, but it hurts the credibility of government and that's a big concern of mine going forward.

Alderman Gatsas stated I think to make the statement that we're not paying attention to detail...I don't think the interest income was a minor detail. I think it was a major detail, I think it was a detail that we've all discussed on...and I think that's the reason that either the School Department or the City initiated the court action is that correct or incorrect.

Mr. Chapman replied I wasn't here at the time, Alderman, but I believe it was one big issue.

Alderman Gatsas stated maybe the City Solicitor or Kevin...can you help me...wasn't it the interest income, the spending of the interest income that generated the court...

Mr. Clougherty replied yes.

Alderman Gatsas stated unequivocally that's what it was. So, I don't think this is a minor detail, I think it's a detail that anybody who was looking at a budget that was talking about interest income will look at the line and say I guess we don't have to worry about asking them to spend it because we'll just put zero there and that's certainly what it appears to me and I'm not saying that that was you, Mr. Chapman, obviously the interest income situation was there before you, but I can tell you that there was an awful lot of finger pointing about interest income and whether it could be spent or not spent. So, when I look at this, I say that the number certainly is there and for it to disappear from \$500,000 to \$100,000 doesn't make any sense for somebody not to say how did the Aldermen come up with this number of a million something less than what we said are going to be our revenues because I think I had

the conversation during the budget time...what happened if the revenue numbers are more or less than School and everybody said it doesn't matter just give them a net amount. Then, what we should start doing is giving them an amount after the revenues are looked at because we have no control over the revenue side. We can only base it on a number that you give us.

Mayor Baines stated I said on the School side the other night the revenues are a key part of the budget presentation from the School and the presentations that the Superintendent always makes is justifying the expense for the schools which I'm not arguing based upon the amount of revenues that the School District brings in which are very significant. So, Alderman Gatsas is absolutely correct. This is not a small matter...revenues are a very important matter on the School side and on the City side.

Mr. Chapman stated I agree, I think it's not a strong number. I think the issue, however, comes back to the September or October adjustment...even if we had taken all of those numbers forward our mandate on the September, October...the MS-24 form is to project what we're supposed to have for the revenue side. I think the issue is that we would have even if we'd put the half-a-million dollars in an interest in February once the Declaratory Judgment issue was settled and now we're getting significantly less interest from the City because the City is holding the cash flow money longer our number would have been significantly decreased. (b) I think the number was still going to be decreased because between the time we came up with the number or the number had been put into the budget up until the September/October time frame the interest rates had dropped significantly, so I don't think anybody who would have put in \$500,000 in February was still going to have that \$500,000 as interest income from the School District in October, so I think that yes, I agree that we probably should have budgeted some interest at that point in time. I think we now have that interest income in there, I think if interest income in the future because of the way we've worked out the cash flow issue with the City will be a relatively mute point as far as the School District's concerned because we're not going to generate that.

Mayor Baines stated I think Alderman Wihby indicated that the Superintendent of approximately \$750,000 and we only budgeted a half-a-million.

Alderman Gatsas asked do you have the School analysis in front of you there, it has number 2 on it. If you take a look at the very first column which was the original School budget it was presented 1/29/01...if you take a look down at the interest income can you tell me what you have in there for that amount.

Mr. Chapman replied we had zero.

Alderman Gatsas asked can you tell me in the revised School budget that you presented on 5/31/01 what you have in there for interest income.

Mr. Chapman replied we still carried zero.

Alderman Gatsas asked what do you have with the department review of 06/05/01.

Mr. Chapman replied that's the Board of Mayor and Aldermen's review number, there's a half-a-million dollars.

Alderman Gatsas stated if you go to the 10/11/01 that you submitted to DRA, what do you have in there for interest income.

Mr. Chapman replied it still had zero.

Alderman Gatsas stated if I take a look at the minutes of the meeting that we were here and Alderman Wihby asked Mr. Tanguay what is the interest income going to be this year and this was on 5/31 and he said "between \$650,000 or \$700,000. The next question is...Alderman Wihby asked so \$650,000 this year and I don't see any number for next year. Mr. Tanguay's answer..."it's not in the budget." Alderman Wihby asks "how come". Mr. Tanguay responded "hopefully, we will be able to build a reserve into the budget as a balance sheet item from either Health or Other Purposes." So, obviously Mr. Tanguay, in his own mind, had an idea of where he was going to move that interest income. Now, I can't tell you what his thought process was because he's not sitting next to you...did you have any recollection of any of that conversation.

Mr. Chapman replied not really.

Alderman Gatsas stated I guess, Mr. Chapman, I can't ask you any further questions because I can't ask you about your thought process with comments from somebody else that obviously understood that he had \$650,000 in interest income and that was on the thirty-first. I would assume that the assumption being that interest rates dropped.

Mr. Chapman stated as I said there were two things that subsequently happened. One is that we are no longer taking tax dollars as they come in, so we do not have a significant amount of monies sitting in the bank to earn any interest from our perspective those monies are now held on the City side...kept in the Finance Department to invest as they historically do...that's only one shoe and we didn't settle that until sometime in October. I think when the DJ (Declaratory Judgment) was resolved it was sometime in October, I believe it was on the fourth.

Alderman Gatsas asked, Kevin, what was the date of the settlement agreement.

Mr. Clougherty replied it was agreed to in late September and was signed by the Judge on October 9, 2001.

Alderman Gatsas stated the MS form that was sent in October 11<sup>th</sup> still showed no interest income.

Mr. Chapman stated that is correct.

Alderman Gatsas reiterated I don't think it's a minor detail. So, I think that somebody needs to explain to us why a minor detail of \$500,000.

Mayor Baines stated I think this Board should formally request that maybe the Superintendent attend the next meeting.

Alderman Gatsas stated I don't think it's our prerogative to ask him, is it. Is it this Board ability or maybe we need a joint meeting with both Boards.

Alderman Lopez stated I think the documentation speaks for itself, but I have to ask this question...in conversation with a couple of School Board members they gave me a disturbing answer and I'd like to know whether you share the question that I'm about to ask which is that the Aldermen don't have the right to add revenue to your budget, do you believe that we do or we don't.

Mr. Chapman replied the Aldermen have total responsibility for appropriating money but as DRA has pointed out in the past the revenues on the MS-24 are the responsibility of the School District to apportion here so it comes down to all of the School Districts in the State basically have the authority with the MS-24 to submit revenues for tax rate purposes.

Alderman Lopez stated so your answer is that we would not have the right to add revenue to your budget and you do not have to account for it when you submit your document. As the City Solicitor, do you agree with that.

Deputy City Solicitor Arnold replied I think that clearly under the City Charter that the Board of Mayor and Aldermen has a responsibility to appropriate a bottom line budget number. That line item within that budget are the responsibility of the School Board.

Mayor Baines stated the issue is on the DRA's MS forms it is clearly the responsibility of the School District to set what their revenues are. You're just talking about the process coming to a budget...it's their responsibility

Alderman Lopez stated there is some misunderstanding then that some of the School Board members believe that we do not have the right to add revenue to their budget that they present to us and I'm trying to find out whether that's true and according to Mr. Chapman you're telling me that we don't.

Mr. Chapman stated again, my understanding is that what I've seen from DRA is no you do not have the School authority to dictate to us what our revenue number will be.

Mayor Baines interjected but I have the responsibility in my budget to project revenues, to build a budget...the Aldermen have to do that fully knowing that the School District is the one that submits the MS forms that have to be signed by eight School Board members, so there's a difference there. When we project the budget we have to project revenues but we always have to be cognizant of the fact that the revenues may not be what we state them early on in the process.

Alderman Lopez stated understanding that how do we get the School Department to ensure that when we pass the budget they are going to include all of the revenue that Alderman Wihby has indicated. How do we get the School Department to reflect that in their numbers.

Mayor Baines stated you have to have communication in terms of what's happening...there has to be good communication regarding these issues, there shouldn't be any surprises. When that memo went out to the School District and all department heads...look over what we have here and please make us aware, right now, if there are any problems with these numbers. We got a notice back from the Superintendent that said basically there are no problems and I know that some of the departments at that time you might have missed this, you might have missed that and then before we put the budget together for the final process we make adjustments, but absent a voice that tells us we may have some problems...for example, in interest income they may have said I know you've got \$500,000 in there, but we're going to project that we have \$100,000...at least we would have been able to talk about the issue, but when you send it back to the School Administration and they send correspondence back after reviewing the numbers that basically we can't point out anything to you that would alter your budget puts us at a very significant disadvantage and that's clearly unacceptable.

Alderman Vaillancourt stated it's like a Sherlock Holmes mystery and I guess Alderman Wihby has unraveled the clues and put them together. I guess we owe you a great deal of



gratitude, it must have taken a great deal of work for this and I'm just trying to wade through it myself and I can't imagine how anybody in the public has any idea of what we're talking about, but let me try this. Is it fair to say that the Superintendent by willfully misleading us and thinking there was \$500,000 and maybe as much as \$650,000 ended up gaining that much more in his budget to spend. In other words, the budget was inflated by that amount. If that hadn't of been used that way we would have reduced the budget by that much. Is that fair to say.

Mayor Baines stated that is a point that I made during the meeting. I made that point during the meetings that when we develop our budget in terms of expenditures on the City and School side we look very clearly at what the revenue projections are because there is always something within sight in terms of where we feel we've gone.

Alderman Shea stated it's very confusing all of this and I'm sure that we all have different viewpoints here and ideas, but the Catastrophic Aid...now, when you estimate the Catastrophic Aid for the School Department and when it's submitted and they change it why do they change that number. Why is there a discrepancy of about \$200,000.

Mr. Chapman replied basically the Catastrophic Aid is calculated by the State Department of Education based on numbers that are provided by the Special Ed Department of the School District during the course of the year for a number of students, etc., so what happens at the end of June they have a number that they have put together from data they have collected and their number is then given to the data processing group of the Department of Ed who then calculates what the pool Catastrophic Aid will be for each of the districts. There are two things that impact Catastrophic Aid. One, is that there is a State cap on how many dollars they can allocate out so there is many times you don't get one hundred percent of whatever you might have been allowed to and, secondarily there is a change in students and a change in cost. So, those are the two factors and if you have any of those two factors you might end up getting fewer dollars than you anticipated. It's very seldom that the number that you purchased at any time of the year stays constant with the number that they give you at tax rate setting time.

Alderman Shea asked is there a monthly inventory of the students or is that just given one time in June. In other words, are the numbers done month-to-month so that there is a reputable number or is it kind of a guessestimate.

Mr. Chapman replied the number is in the budget because the information doesn't come back to the State until sometime late July, early August. The number that is in the budget in January historically...what I did this year is exactly what I did this year and that's use last year's numbers assuming that that problem may still be here year-to-year. But, no, we don't

have a specific way of identifying what that number is when we put our budget together in January.

Alderman Shea stated we have these discrepancies and I guess they've been pointed out. Are you working with someone in order to kind of get some consistency between the numbers that we have or Alderman Wihby and what you have. How do we resolve all of this, does it go on forever or do we reach a point where somehow or another the good guys win out and the bad guys don't. What happens here.

Mr. Chapman stated I don't think there's any good guys, bad guys I think it's just a case that there are so many things that are going on that what we've got to do and myself in particular what I have to do is a better job of paying attention to some of the documentation that may come in. For example, get in touch with DRA earlier in the process sometime in August to make sure that we know what DRA has for Catastrophic Aid or Stability Aid...get those things cleaned up. I think the other thing is while we sit and do the budget process...last year was my first go around with this whole process. For whatever reason some things I missed, some things I didn't miss, but I think it's going to justify the fact that it will be the second year through and we're going to resolve a lot of issues and we've got good communication going between City Finance and School than we've had in the past and one of the things my first year here I probably spent 80% of my time worried about 1999-2000. So, we have a lot of issues. That not a cap off, it's not to say I'm not doing my job, we're just trying to keep on top of a lot of things and I feel comfortable making that statement.

Alderman Shea stated so you're still working with the Finance Department on a regular basis (weekly, monthly, whatever).

Mayor Baines jokingly replied hourly.

Alderman Shea stated you have no adverse judgment on that, you want to do that, right.

Mr. Chapman replied I don't have a problem...I think the key thing that we learned through this process is that (a) data has got to go both ways and when it comes over to our office we'd better have the time and the ability to look into data before it has to get back over here. I think in response to the memo to all department heads I concentrated on the \$115 million appropriate, that was the number I looked at, no I didn't look at revenues. So, when the Superintendent signed that document I was comfortable that the issue was the appropriation number. I just missed it and I didn't go back and look at any numbers.

Mayor Baines stated okay, I would ask if we could move along pretty soon here. I think we've covered the subject fairly well this evening.

Alderman Gatsas in reference to the Catastrophic Aid asked when you received the number in July don't you have to make another rendition to the Department of Education sometime in January/February.

Mr. Chapman replied no. The Catastrophic Aid number that is used by DRA comes out sometimes in July/August and I think that in this case as Mr. Sherman had pointed out in our Friday meeting he had made some phone calls in order to set the tax rate...that is how he found out that that number had changed. Hindsight being what it is I probably should have made the phone call prior to my going there with the MS-24 and asking DRA if they had any number.

Alderman Gatsas stated if you had a drastic change in the number of Special Ed students mid-year there is nothing that you do. If all of a sudden you get 40 that you had not been budgeted for.

Mr. Chapman stated on the appropriation side we have to look and see and take steps to back down some of our spending, but the issue is with Catastrophic Aid those children are not going to be recorded as far as the State is concerned until the following budget year as far as revenues go. So, those students would not come into the Catastrophic Aid calculation if they happen in February '01 they would not be in the '02 budget, they would be in the '03 budget calculation for Catastrophic Aid because the State is a year behind.

12. Communication from the Director of Parks, Recreation and Cemetery Department requesting the Board's approval of and authorization for the acceptance of materials and funds for a proposal submitted by the Coca-Cola Bottling Company to acquire Corporate Beverage Sponsorship for the McIntyre Ski area's new Snow-Tubing Park and the athletic facility of Gill Stadium.

Alderman Levasseur moved to accept the proposal, authorize acceptance of materials and funds and remand for the purpose intended, subject to the review and approval of the City Solicitor. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

13. Communication from the Public Works Director submitting a retirement request for Gary Lawrence.

Alderman Pinard moved to approve the retirement of Mr. Lawrence as submitted with regrets. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

**14. Ordinance:**

“Amending An Ordinance Regulating Traffic Upon the Public Streets of the City of Manchester, by increasing penalties (fines) for parking violations.”

On motion of Alderman O’Neil, duly seconded by Alderman Thibault, it was voted that the ordinance be read by title only, and it was so done. Aldermen Levasseur and Hirschmann were duly recorded in opposition.

This ordinance having had its final reading by title only, Alderman Lopez moved on passing same to be ordained. Alderman Pariseau duly seconded the motion.

Alderman Gatsas stated the only thing I don’t see in here is an increased fine for speeding and I think that’s the biggest problem that we have in this City and I don’t see anything in here.

Deputy Clerk Johnson stated this City does not have the authority to regulate under the Traffic Ordinance (speeding) that is a State Statute.

Alderman Gatsas stated you should change that at the State level, your Honor.

Mayor Baines called for a vote on the motion. The motion carried with Aldermen Levasseur and Hirschmann duly recorded in opposition.

**15. Bond Resolution:**

“Authorizing Bonds, Notes, or Lease Purchases in the amount of Three Hundred Thousand Dollars (\$300,000) for the 2002 CIP 810802 Revaluation Project Phase II & III Project.”

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted that the Bond Resolution be read by title only, and it was so done. Alderman Wihby and Levasseur were duly recorded in opposition.

Mayor Baines asked does anybody want to talk about this situation in terms of us continuing not to pay this.

Deputy City Solicitor Arnold stated the City signed a contract with Cole, Layer and Trumble (CLT) back in December of 1999. I'm informed by the Assessors that at this point the company has met all of their obligations under the contract and are entitled to payment.

Alderman Hirschmann asked is that the 100% or the 90%.

Deputy Clerk Johnson stated perhaps I can clarify that. This bond resolution has to do with the appropriation of all \$300,000, however, the Board has already taken an action separately in the Finance Committee of the last meeting to withhold the 10% payment until approved by the Board of Mayor and Aldermen and that notification was sent to the department budget authorization and I don't recall the amount off the top of my head, I want to say it was around \$140,000.

Alderman Wihby moved to table.

Mayor Baines stated I'm going to take a motion on the motion that the Bond Resolution pass and be enrolled.

Alderman Shea moved that the Bond Resolution pass and be enrolled. Alderman Thibault duly seconded the motion.

A roll call vote was taken on the motion to pass and be enrolled. Aldermen Wihby, Gatsas, Levasseur, Pinard, O'Neil, Cashin and Hirschmann voted nay. Aldermen Sysyn, Lopez, Shea, Vaillancourt, Pariseau and Thibault voted yea.

Deputy Clerk Johnson advised that there are insufficient votes to pass the bond resolution and perhaps the motion to table would be in order.

Mayor Baines stated I am just confused legally where we will end up. We have some responsibilities as a City on a contract. The City Solicitor is advising us to pay, so I can picture us going to court and the City Solicitor goes in and says well, I advised the Board to pay, the Assessors come in and say they've completed their work and the judge is going to say hey, I'm assuming what are we doing here. I'd ask the City Solicitor to clarify.

Deputy City Solicitor Arnold stated if we do not pay and if the revaluation company were to bring an action to collect what they feel was due under the contract we, of course, defend on the basis of the information provided to us by the department heads involved. Those department heads have informed me that they feel that the company has met all of their obligations under the contract and on that basis I think that the City is obligated to pay the remainder of the contract.

Alderman Shea moved that \$217,547 be taken from the Reserve Fund.

Questions were posed by various members of the Board as to which Reserve Fund.

Mayor Baines stated we don't have that amount of money in the Reserve Fund.

Alderman Shea stated I'm sure he does. Do you have that, Kevin, in the Reserve Fund.

Mr. Clougherty asked which Reserve Fund.

Alderman Shea replied in the "rainy day" fund of any kind of funding that you have.

Mayor Baines stated first of all, it's not raining...

Alderman Shea asked do you have money in your funds that we can pay this out of without getting a bond issue, I'm asking you do you have funds available.

Mr. Clougherty replied what you would have to do Alderman is go back through all of the line items that you've appropriated and take the money from the departments or those other line items, move it over...the "rainy day" fund is not an appropriation.

Alderman Shea asked can we find money in the Finance Office to the amount that we owe them that you can find in any kind of funding from which we can draw.

Mr. Clougherty replied I can come back and work with people in Planning and CIP and give you some recommendations, but you will have to cut something else in order to come up with that money. There is no extra money you can reappropriate.

Mayor Baines stated we could ask some Board members to reconsider so that they could come back.

Alderman Levasseur stated I handed out a document that was given to me by a person in the real estate market and the State of New Hampshire requires that all of these municipalities be assessed at 90% or market value. The ultimate goal of any revaluation is 100% of market value for a target date, however, the State recognizes that change is ever present in the real estate market allows a 10% deviation. I handed you all this right here...there are close to 124 samples of market sales from July 2001, in August 2001...the samples represent more than 50% of the total sales volume for that time period and each of the 124 sales have assessment sales price ratios more than 20% per market value ranging from 36.8 to 79.39.

Thirty of these 124 samples are in the 60-69 percent range. Just based on this document alone it doesn't look like they were very too close on their assessments. A lot of these are assessments that were just made and these are the sales prices that were just made in the months of August and September. I think that we have a pretty good...if we wanted to fight them on this, I think we could put up a pretty good size battle, at least negotiate them down.

Alderman Gatsas stated an explanation of why I voted no is that we somehow went from number 10 on the agenda to number 12 and we never talked about number 11, so until I can get an explanation...

Mayor Baines stated I thought we talked about those together.

Alderman Gatsas stated until I can get an explanation of item 11, the revaluation and the numbers that were set I think we need to talk about that. So, maybe the Assessors would like to come up.

Mayor Baines stated let's go back to number 15 and keep this alive, I don't think this Board is ever going to settle this issue and maybe we just go to court, but do we have a motion to reconsider.

Alderman Pariseau moved to table the bond resolution. Alderman Pinard duly seconded the motion.

Alderman Gatsas stated I voted no for a reason.

Alderman Wihby stated can we ask to reconsider that the reval should go forward, is that what we're asking.

Mayor Baines stated, Mr. Tellier, will you come up. It was my understanding when we discussed number 10 and Alderman Wihby said we're going to talk about 10 and 11 that's what was said, but we can knock it around again some more, if you want.

Alderman Shea stated I'm making a request of the Finance Office to come back with certain ways that we can come up with the money. If we can't bond this, I'd like it so that the Board could pass this without bonding.

Mayor Baines stated I'll instruct the Finance Officer to come up with that.

Alderman Levasseur interjected excuse me, your Honor, the vote was 6 to 7, the vote didn't even win, so I don't know how he expects to get money from other departments.

Alderman Gatsas stated let me just understand and I think maybe, Mr. Tellier, you can help me. I think that you advised this Board that the revaluation number was going to be somewhere at \$5.35, no. Okay, go ahead I'm sure you can correct me.

Mr. Tellier stated last February our Board estimated a potential tax base to be \$4.8 to \$5.2, that was last February. Throughout that whole ordeal we have maintained that we would likely reach a value of \$5.2 which the Mayor's budget and subsequently the Aldermen's passed budget used. Now, in between that time, exemptions went from \$65 million last year to over \$113 million this year...and the blind and the adoption of the disability.

Mayor Baines stated the number that was given to me we would have exceeded the \$5.2, correct me if I'm wrong...if we had not added the additional elderly and disabled.

Mr. Tellier stated what was the final number that the tax rate was predicated on...\$5.155 million. We're \$45 million short of the \$5.2...in looking at the total picture we would have exceeded that amount of \$5.2 notwithstanding the doubling of the exemptions.

Alderman Gatsas stated, Mr. Tellier, I'm so glad tonight that you're coming forward with numbers that we can talk about because we ask you as a Board for many occasions for you to bring forward numbers and you were unable to do that. So, now that you have those numbers at your disposal how many exemptions did you get from the elderly, numbers not valuations, how many total exemptions. He's given us a number that says he has some numbers in mind that reduce the evaluation number.

Alderman Pariseau interjected in anticipation.

Alderman Gatsas stated I hope he's not giving me anticipation.

Alderman Pariseau stated don't people have until April 1<sup>st</sup> to apply for exemptions.

Mr. Tellier replied 1, 206 exemptions.

Alderman Gatsas asked is that total exemptions or just elderly.

Mr. Tellier replied total.

Alderman Gatsas stated tell me what the elderly is, please.

Mr. Tellier replied 1,155.



Alderman Gatsas stated I think that number went up by about 35 because when we first talked about the number of exemptions that you told us before we gave it out was about 1,120 or thereabouts. So, the exemption went for an increase of percentage...what was the percentage increase.

Mr. Tellier replied we went from \$69. million for just the elderly last year to \$105, 400,000 approximately.

Alderman Gatsas stated you projected, you told this Board that you thought it was going to go to \$150 million.

Mr. Tellier stated \$130 million is the number I used.

Alderman Gatsas added with an outside of \$150 million.

Mr. Tellier stated no, I said \$130.

Alderman Gatsas stated we never reached that.

Alderman Hirschmann interjected we came in under that.

Alderman Gatsas stated so, for you to say that the evaluation was unduly affected by seniors or blind or disabled is an unfair assessment because you had that number in place long before that at \$130 and we haven't even gotten to that number, isn't that true.

Mr. Tellier replied not quite, no it's not.

Alderman Gatsas stated you haven't reached the \$130.

Mr. Tellier stated that's correct, that part is correct.

Alderman Gatsas stated when you gave the Board these numbers you were given the evaluation number with that \$130 in mind, so don't sit there for one second and blame this on seniors or disabled or blind.

Mr. Tellier stated with all due respect, Alderman, I'm not looking to place any blame on anything I'm just characterizing where the issues are. So, I'm not blaming...quite frankly, we received information from a tremendous amount of elderly who are very grateful on the actions of this Board and we were not making a recommendation either way.

Alderman Gatsas stated, Mr. Tellier, we never reached those numbers. We never reached those numbers that you told this Board we were going to get to.

Mr. Tellier stated with all due respect, Alderman, I gave two sets of numbers. One had \$65 million last year in exemptions that had they been adjusted for the same amount as the increase in the tax base would have been about \$93-\$94 million. We exceeded that to \$113 million.

Alderman Gatsas stated you told this Board it could go to \$130.

Mr. Tellier stated it could have and I also said at that time that for every \$10 million in additional loss of assessment it equaled out a nickel on the rate.

Alderman Gatsas stated say that again.

Mr. Tellier reiterated for every \$10 million in assessment, it equals close to a nickel on the rate.

Alderman Gatsas stated so that would be somewhere around ten cents (\$.10).

Mr. Tellier stated it would be more than that. It went from \$65 million to \$113.

Mayor Baines stated I recall the conversations...you were estimating the impact of that would be about twenty cents (\$.20).

Alderman Gatsas stated the impact was going to be from the blind and disabled...that is where that impact was going to come from.

Mr. Tellier stated no, no. We included all of the exemptions on that.

Alderman Gatsas stated you never had any idea what they were going to be.

Mr. Tellier stated I gave you a sheet, Alderman.

Alderman Gatsas stated on the blind and disabled.

Mr. Tellier stated we did report.

Mr. Giroux was here and said there's two people that are disabled that have houses.

Mr. Tellier stated we had no idea on the disabled.

Alderman Vaillancourt stated just by sheer coincidence because Alderman Wihby handed this transcript from the last meeting out earlier, I have some documentation that refers to this matter. You remember I asked you two weeks ago what you expected the tax base to be. Did you not tell me at that time and knew at that time that the elderly had already gone up to that amount, did you not tell me at that time \$5.2 billion.

Mr. Tellier stated we still felt we might get close and meet that \$5.2, yes.

Alderman Vaillancourt stated so it wasn't because of the elderly exemptions as Alderman Gatsas is saying that he didn't meet that. There was another factor involved that you are now going to elucidate for us. Let me read the transcript: it said Alderman Vaillancourt asked let's try and get back the tax rate if we might. Let's just assume the worse, assume the best, assume that everything the School Board says that they're going to need we're going to have to pay. How much will that end up with the tax rate being more than it is currently. I think you said \$23.43 of the worse case scenario, okay and then you said twenty cents more, right. So, you were assuming at that time that you were going to meet the \$5.2.

Mr. Tellier stated yes, I was.

Alderman Vaillancourt stated so what happened between two weeks ago and now wasn't the elderly exemption, was it.

Mr. Tellier replied that was part of it. The other part was we did not meet the \$5.2 and the \$45 million. Compared to what the \$5.2 was that we estimated, we were 99% correct. When you're talking about \$45 million out of \$5.2 billion we missed the mark a little bit, but not by a terrible amount. The fact is we came very darn close to that number that we projected last February. The numbers are what they are, we can't make them up.

Mayor Baines stated I don't think anybody is trying to blame anybody it's just that the numbers...

Alderman Gatsas interjected that \$45 million equates to twenty-five (\$.25) cents on the tax rate, that's a lot of money.

Mayor Baines stated I would agree.

Alderman Gatsas stated then we would be back to what number.

Mr. Tellier stated Alderman Gatsas is correct.

Alderman Gatsas stated I wasn't at the last meeting but Alderman Vaillancourt...where did it disappear in two weeks.

Mr. Tellier stated it didn't disappear, it wasn't there. You reported to this Board...I am one individual of the Board. We made every effort to give the best numbers that we could to this Board.

Mayor Baines stated when we were moving up trying to set the tax base, when we were having meetings and Mr. Clougherty could attest to that you were calculating, you were working as a Board...Thursday, Friday to Monday and it's Tuesday to calculate the final number. It's not something that we happened to change all of a sudden. You were gathering all of the information.

Mr. Tellier stated we spent all week resolving numbers getting it down to the penny.

Mayor Baines stated tell us all that, what is the process you go through.

Mr. Tellier replied we bring up all of the accounts, there are non-taxable, tax exempt and taxable properties. They all have to be categorized in land/buildings categorized...you have to itemize all your exemptions and then from there you have a gross assessed value, then you have a net assessed value that provides for the extraction of the utilities which has a lot to do with the State Education tax rate. All of this stuff has to be exact in the MS-1 along with the MS-2 from Finance, the MS-24 and the MS-25 for the School Department.

Alderman Gatsas asked why did the Overlay Account reduce from what we budgeted.

Mr. Tellier replied initially we started at \$1.5 and we looked very hard at what we thought our exposure might be and we felt, at that time, that \$1.1 would cover us with what we had left in the Overlay Account which brought us close to \$2.5 million.

Alderman Gatsas stated so you reduced the \$1.1 even lower.

Mr. Tellier replied no. \$1.1 is what is on the MS-1 form.

Alderman Gatsas stated I'm looking at it right now and it's \$1,081,931.

Mr. Tellier stated that is an adjustment process that the DRA does for rounding. We give them an exact number and it states right in the MS-1 and if you check with the Department of Revenue Administration they make an adjustment for rounding, that is beyond our control.

Alderman Pariseau stated, Steve, I'm going to get back to my problem with non-profits. How would we end up financially if we were to impose on non-profits the City service tax rate...that don't have them pay for schools or county.

Mr. Tellier stated I don't have an exact amount, Alderman, but obviously the magnitude would be very large because...

Alderman Pariseau interjected they're getting away with murder now and they always have.

Mr. Tellier stated it's State law.

Alderman Pariseau stated we can set the amount, right. They're not paying a dime.

Mr. Tellier stated not with this Board and you broached the subject last year if I recall. At that time, it was made known that you could request a voluntary payment at that time, but they are under no legal obligation to pay it.

Alderman Pariseau stated we couldn't impose the City rate.

Mr. Tellier replied no.

Alderman Pariseau stated, your Honor, I think we should do something with these non-profits, they're growing by leaps and bounds and they're getting the services of the Fire Department, the Police Department and the Highway Department and ninety percent of the time they don't even say "thank you" and I think that we ought to, at least, send each entity a letter asking them for some sort of payment in lieu of taxes to help take care of the problems.

Alderman Pariseau made a motion on his suggestion that a letter be forwarded to non-profits. Alderman Shea duly seconded the motion.

Mayor Baines stated I think if the Board is going to consider something of that magnitude (without getting into discussion) we should be saying thank you to them for services that they provide to this community.

Alderman Pariseau interjected you have St. Peter's Orphanage on the west side on Kelley Street takes a whole block and all that money goes to Canada and they don't pay a damn dime.

Mayor Baines stated if this Board is ever going to move in that direction it should go to a committee of the Board and there should be some study and reporting out.

Alderman Pariseau moved that his previous motion be referred to the Committee on Administration. Alderman Shea duly seconded the motion.

Alderman Cashin stated I hope this Board takes into consideration the hospitals. If you want to pick up their bad debts they'd be happy to pay your taxes. If you're going to do this it's got to be on an individual basis.

Alderman Pariseau stated they don't pay taxes either.

Alderman Cashin stated all of you don't know what the bad debt is of a hospital, it's millions.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Alderman Levasseur in reference to \$5.155 asked if I was to add up every single one of the numbers that were in the newspaper that they had done a revaluation for that number would add up to \$5.155 or would it be a different number.

Mr. Tellier replied it would be a lot greater. The total assessed value to the City is closer to \$6.2.

Alderman Levasseur stated so maybe I need an explanation on that.

Mr. Tellier stated you have to deduct the non-taxable...

Alderman Levasseur stated okay, so the non-taxable were in there also like the hospitals and the non-profits. Now, from this day forward where we're sitting here today, the number that you've given us do you expect that between now and let's say next budget time somewhere that any of these numbers would either increase or decrease.

Mr. Tellier replied I don't have an answer for you right now. I'm sure there will be new construction, they'll be other discoveries that have been made as part of our auditing and our

review of values, so I am not prepared to answer that. I would expect that there would be increases alone just for the new construction, but as far as the number I can't tell you that.

Alderman Levasseur stated okay, so I can count on this number and then whenever you go forward it will be like a new development comes in you'll be adding more value into the City. As far as the deductions, you had an overlay...could you tell me what that number was again.

Mr. Tellier replied we asked in our MS-1 form for \$1.1 million.

Alderman Levasseur asked you expect that number, that's not actually hard to get down below that \$1.1 I would think with the requests.

Mr. Tellier replied we won't know what that's going to be until we foresee what sort of appeals come down the pipeline.

Mayor Baines asked, Steve, what's your total now, it's only \$2 million, right.

Mr. Tellier replied right, it's about \$2.4 million.

Alderman Levasseur stated when you came to this number for \$5.155 billion you came up with that number on what date.

Mr. Tellier replied Thursday.

Alderman Levasseur stated last Thursday.

Mr. Tellier stated the end of the day Tuesday.

Alderman Levasseur stated that number is now being sent to the Department of Revenue Administration, that is the number.

Mr. Tellier replied the rate has been sent, they have received our MS-1 form last Tuesday...I understand they were already in receipt of the Finance Department's MS-2 and Schools Departments MS forms.

Alderman Levasseur in reference to CLT asked when they came up with their number what was the number that they came up with. They must have given you a number.

Mr. Tellier replied yes, it was the \$6.2. The total for the entire City, these numbers are derived using CLT's total numbers.

Alderman Levasseur stated so \$6.2 is the number that you got from...and then who deducted out the numbers for that...you did or they did.

Mr. Tellier replied they're deducted automatically as a normal procedure. You're one of three taxable statuses.

Alderman Levasseur stated your computer tells you when you go through if it automatically kicks it out...there's a program. Now, as far as the number that Alderman Hirschmann asked you for two weeks ago, he asked you for a sheet or a total number of increases in commercial that you have increases since the revaluation was actually done. Did you ever get that sheet out to Alderman Hirschmann.

Mr. Tellier replied I spoke to Alderman Hirschmann today...initially, I didn't want to give it out because it was incorrect, however, the prior values prior to the beginning of the revaluation...those numbers were okay. The numbers static as of, I believe it was sometime in August, those are okay. The final numbers were incorrect because we gave the directive back to the revaluation firm to go back to their numbers and look a lot closer because we were not happy with them as well. To fulfill Alderman Hirschmann's request we're going to have to look at those 4,500 parcels and plug in that final number so it's accurate.

Alderman Levasseur stated the commercial numbers are not correct then how could you give a number...

Mr. Tellier stated no, no...the report, not the commercial numbers. This was an electronic report like an Excel report that was derived as a snapshot sometime in August or September. All I'm saying is we just have to certify that the final numbers are accurate...that's all I'm saying.

Alderman Levasseur asked certify what numbers.

Mr. Tellier replied the final assessments. There were three snapshots for assessments. It was prior to the revaluation, there was sometime around August and then there was the final acceptance of the values. Those final values are not accurate. So, we just have to make sure that they are and then we'll submit it. There were about 4,500 non-residential parcels of which I believe close to 2,500 of them were increased. The initial numbers were low and the final numbers are quite a bit higher.



Alderman Levasseur stated those higher numbers have been included in the final number that was given to the DRA.

Mr. Tellier replied that is correct.

Alderman Levasseur stated okay that's good, I wanted to know that. Now, as far as getting that sheet will we get it.

Mayor Baines stated the report will be distributed to the whole Board.

Alderman Levasseur stated he said two weeks ago and now I'm just saying...

Mr. Tellier stated now we have the time to go through that, Alderman. Up until last Tuesday when we were fulfilling all that was necessary for the warrants to set the rate we were pretty consumed with the work that we needed to do to get a rate that we needed to get in a timely fashion. It was imperative that this be due before the end of December for several reasons. One, is the cash flow obviously. Secondly, for people to deduct it from their taxes it needs to be paid in calendar year 2001.

Alderman Levasseur stated I would like to make one request, your Honor, and that is I would like the total of the non-profit number included in that sheet so I can see what...obviously, it's going to be somewhere around \$900 million.

Mayor Baines stated the horse is now gasping for breath, so can we close out this discussion pretty soon.

Alderman Lopez stated I just have a couple of questions while you're here, Steve, because as you've seen we don't have ten votes to pay the company that did the service for you which you said they have performed. The question I have...you made the contract with the company...there was no penalty clause in that contract for any changing of any dates, would you agree to that.

Mr. Tellier replied yes.

Alderman Lopez stated it would be the Assessor's themselves that changed the date with communication with the contractor which is how dates became changed except, I believe, the last one that the Board of Mayor and Aldermen changed to September 28<sup>th</sup>, is that correct.

Mr. Tellier replied yes with the caveat that we had to accept some modification to those dates. Quite frankly, the revaluation firm had run behind on some of those dates, that's a fact.

Alderman Lopez asked do you think that they have performed the duties that they were contracted to do.

Mr. Tellier replied yes, absolutely so.

Alderman Gatsas stated you stated that the firm was given those 4,500 commercial properties to relook at.

Mr. Tellier stated we directed them to look at all of the properties in the City. This report was derived by one of their commercial appraisers and it just includes the non-residentials.

Alderman Gatsas had they looked at that and completed it.

Mr. Tellier replied yes, at the time that was completed and they increased a significant amount of the values.

Alderman Gatsas asked what did it increase by.

Mr. Tellier replied I don't have that number in front of me.

Alderman Gatsas stated so the 4,500 commercial pieces that I guess is still open record, is that what you were talking about or are they closed.

Mr. Tellier replied they are closed because they're in the tax base. That is a static number. But, this report, what I was alluding to was derived, I believe around September and the final numbers were influx all the way through the hearings. There were changes made all the way through the hearings and immediately after the hearings. As they got more information or better information numbers changed up until they handed a deliverable product to us.

Alderman Gatsas stated so they finished their task, they're not looking at 4,500 other pieces.

Mr. Tellier stated they're done.

Alderman Gatsas stated then somewhere...

Mr. Tellier stated with the exception of defending values, they are still contractually obligated to defend values at the local level and the Board and Superior Court.

Alderman Gatsas asked is there anything being held out for the defense of those values or is the \$300,000 to pay them 100%.

Mr. Tellier replied it pays them 100%. They're still contractually obligated not only by the contract with the City of Manchester but by the Department of Revenue Administration rules as well which is all of our oversight authority.

Alderman Gatsas asked are you suggesting that this Board pay them 100% and hold nothing in abeyance for contractually having to fulfill their obligation.

Mr. Tellier replied at this point, Alderman, what I had asked in a previous letter was to pay what they had billed which was the \$217,000...the remaining balance and I'm using wrong numbers, the remaining balance of \$140,000 up until today they had not completed all the tasks...there were some minor housekeeping issues. At this point, I look at this Board and they have fulfilled their contractual obligations and there is no provision in the contract to hold that arrearage until the defense of values is done. It was contractually set up to be paid upon completion of the job.

Alderman Gatsas stated so the \$45 million of the twenty-five cents (\$.25) increase to the tax rate...because I was obviously away and was only able to read excerpts in the paper that talked about the Senior Exemptions as being the reason for that. Absolutely, unequivocally it has nothing to do with that. What it has to do with is the \$45 million someplace disappearing.

Mr. Tellier stated it didn't disappear, it never appeared. The simple fact is we didn't meet the \$5.2.

Alderman Gatsas stated it was nothing to do with the Senior Exemptions.

Mr. Tellier stated the exemptions have an impact on the assessed valuation and the derivation of the tax rate.

Alderman Gatsas stated then I am going to ask you again. Alderman Vaillancourt asked you two weeks ago, I was not present. What happened to the \$45 million and the twenty-five cents (\$.25) increase in the tax rate because the questions he asked you and the numbers that you gave us...you have to be very close, it didn't just disappear as you say. With the

\$45 million change because...if you said to me it was \$5 million we probably wouldn't be having this discussion.

Mr. Tellier stated you're talking about a percent.

Alderman Gatsas stated I'm talking about twenty-five cents (\$.25) on the tax rate.

Mr. Tellier stated I don't have an answer for you Alderman, I don't.

Alderman Gatsas stated we should make it very clear that this has nothing to do with the Senior Exemption because that was over and done with before and whoever made the allegations that it was the Senior Exemption should apologize to the seniors.

Mayor Baines stated the only thing I will say is that you were off on your projections, I don't think anybody is blaming anybody, it's a mathematical situation. If you did not have the amount of money for those exemptions which I'm not arguing is, I think we did the right thing, it would have been \$4.2 plus, that's a fact and when we asked the Assessors what would be the impact of adding the Elderly, Blind and Disabled Exemptions...it's my recollection that you said we would be in the vicinity of twenty cents (\$.20)...I remember Alderman Cashin asking at the time what's the process because a lot of Aldermen were saying before I pass this, vote this, I want to know what the approximate cost was. I don't think there is any blame here, it's just a matter of mathematics, that's the way I understand it.

Alderman Shea stated let me be the devil's advocate here, Steve. Let's assume that you came in with a number more would you then, if they were higher be considered a hero in the eyes of people. But, I'm just saying that you try to give an exact and accurate account as you can, is that correct. You're the department and I know that I certainly appreciate the help that you've given my constituents. They came up to me at the polls and thanked me and they are handicapped and your department has done very well with these people and as far as I'm concerned and obviously I'm not as astute as other people, but I certainly appreciate your efforts because even though there's a little bit of an increase in the tax rate, you have nothing to do with that, you try to be as helpful as you can. I know that there are extenuating circumstances like the School Department has added a million dollars and we have to compensate for that as well. We can discuss this forever but I certainly appreciate the help that you've given my constituents. I can't speak for anyone else, but I appreciate the help you've given those living in my ward.

Alderman O'Neil stated I want to echo Alderman Shea's comments. I know any time I've called and reached any of the three Assessors they've been outstanding in their response to me and I've heard similar from citizens throughout the City. Steve, my whole issue goes

back to CLT itself and it is something that both you and I have talked about a number of times and that's the process. The citizens of this City or the property owners were given a value number from CLT.

Mr. Tellier stated that value number came from the Assessors.

Alderman O'Neil stated the letter came from CLT.

Mr. Tellier stated oh, you're talking about their assessment notice, oh yes.

Alderman O'Neil stated they were given a number back...can't remember the date. Most of the people I've spoken to have said you know what that is probably what my property is worth today, I am not going to appeal, I'm going to pay my fair share of taxes and then went on their business. Then as CLT is getting ready to leave town a new letter comes with a higher value. They have no chance to appeal to CLT. Now, I understand that there is a process that they can appeal through an abatement process with the Board of Assessors, they can go to Superior Court, they can go to the Board of Land and Tax Appeals...I guess for me it's that process of CLT...the timing of when CLT sent out those letters and it really was as they were leaving town. I don't know if there is anything...there is certainly nothing legally wrong with it, but it was just the intent of it like the taxpayers were getting stuck and if anything I think CLT owes an apology to the City for that and that's why I'm voting for holding up the payment. I think they owe an apology to the citizens of this City for how they handled it. I don't believe that's a normal practice, but it took them off the hook. They were back in Connecticut or wherever they were from and now it puts the burden on the Board of Assessors and I really do think that they owe the citizens of this City an apology.

Alderman Cashin stated, Steve, I've got a problem when you come before the Board tonight and you tell us they've done a good job, it's all done and they're completed. What you people have said...you and the other two Assessors correcting a lot of their mistakes, is that true.

Mr. Tellier replied that is true and I wouldn't characterize what they did as a good job, I would use the word acceptable. I wouldn't use the word good.

Alderman Cashin stated should be pay the total amount for an "acceptable" job.

Today, I called about a piece of property and I talked to one of your Assessors, he called me back within a couple of hours...somebody had made the mistake of about a half-a-million dollars on the assessment...now, that was today. Now, how can we sit here tonight and say that the job has been done well and we ought to pay them the full amount. I can't pay them the full amount.

Mr. Tellier stated in the letter that came from our Board what we asked was to take the regular billed amount, the remaining billed amount which was \$217,000...certainly, if there's a lot of concurrence by this Board there could be substantial reasons why this Board may not wish to pay that ten percent arrearage.

Alderman Cashin stated my problem is I've got a City Solicitor telling me that if we don't pay it that he is going to depend on what you tell him in a court of law and we're going to get beat and you're telling them that the job is complete and they're all set; that's my problem.

Mr. Tellier stated if you don't know that it's not there...we spent thousands and thousands of hours pouring over this throughout the whole process and we found errors, absolutely and we correct them as fast as they come across our desk.

Alderman Cashin stated no one is faulting the Assessor's Office.

Mr. Tellier interjected I understand that, I appreciate that. But, at this point, Alderman, it's been delivered in our hands...I hate to use the term but they did more right than they did wrong.

Alderman Cashin stated fine then we'll pay them 75% how's that.

Mr. Tellier stated under the terms of the contract which we're bound by they fulfilled their contractual obligations except with respect to defense of values. They have also submitted a bond that carries them to September 2002.

Alderman Cashin stated so all of the work that you and the other two Assessors have done to correct all of the mistakes doesn't amount to anything, is that what you're telling me. We shouldn't take that into consideration at all.

Mr. Tellier stated I don't know that that would be on the contract issue that you could win on at this point and we just want to go forward and have a better product. Part of what's coming down as a result of SB 193...this City will have to recertify values again in 2004.

Alderman Cashin stated, Steve, I don't know how you negotiate contracts but if you did a job for me and I had to spend twenty-five percent of my time correcting your mistakes, I would certainly deduct it from your bill.

Mayor Baines stated the problem may be the contract that was negotiated...the City Solicitor reviewed it and said that based upon the contract that we've negotiated whenever it was negotiated in 1999...

Alderman Levasseur interjected there are plenty of remedies, your Honor, in contracts...you can trust me on that.

Mayor Baines stated I need to make a point here before we discuss it further. If the vote was six yea and seven nay in order for reconsideration someone who voted nay would have to ask for reconsideration at this meeting.

Deputy Clerk Johnson stated anybody who voted in the affirmative could ask for reconsideration at this point.

Mayor Baines stated what I'd like to ask because if in fact we get to the point where...let's say we get a letter to pay it, if we don't get it back out as a resolution we're going to have to go through the whole resolution process again...am I correct.

Deputy Clerk Johnson stated it would have to layover for a week.

Mayor Baines stated there was a motion for reconsideration by people at this meeting...

Alderman Wihby asked who.

Mayor Baines replied there were several people...Alderman Pariseau and Alderman Shea.

Alderman Thibault stated I would like to know when the contract was first made, wasn't it looked at by the City Solicitor. If the City Solicitor, at that point approved it how can they disapprove it now. They approved that the contract was right...

Mayor Baines stated I am asking the City Solicitor to respond to the comments from Alderman Thibault.

Deputy City Solicitor Arnold replied the contract was sent down to our office for a review of its charge, I must say that the contract is based on a State standard form. We took a look at it and we approved it as to the form and the execution, yes.

Alderman Thibault stated that is exactly my point. If in fact the City Solicitor approved the contract that they agreed to do how can it be wrong now.

Alderman Wihby stated they approved the contract, but they're asking the Assessor's if their job was done...the Assessor's told them no and they'd say don't pay. And, when you look at what Alderman Cashin was talking about as far as not doing all the job, lost interest and as far as what we've cost the taxpayers to go through they're going to fight you up front about that and it's \$300,000 that could be reducing the tax rate rather than paying these guys. Let them take us to court. But, if the Assessor's said to the City Solicitor the job wasn't any good he'd be sitting there saying well, they're telling me not to pay it, so you shouldn't.

Mayor Baines stated if I could get the support of the Board to do this...

Alderman Levasseur interjected I'd like a point of clarification...

Mayor Baines stated hold on one second, if we can get the motion to reconsider, have that passed, get the original motion back and table it at least it would leave some options open.

Deputy Clerk Johnson stated right now the Bond Resolution is still on the Board. There could be a motion to table it at this time and come back at another meeting, it's still on the floor at this time.

Alderman Pariseau moved to table the Bond Resolution. Alderman Pinard duly seconded the motion.

Mayor Baines asked for clarification of the motion(s).

Deputy Clerk Johnson stated you're voting on whether or not to table action on the Bond Resolution. There was a motion on the floor which failed and no other motion has come forward until this time.

Mayor Baines stated that doesn't kill the Bond Resolution.

Deputy Clerk Johnson replied no, it did not.

Mayor Baines called for a vote on the motion.

Alderman Levasseur stated you just took a vote to table something that was voted not to be accepted.

Mayor Baines asked, Mr. Arnold, would you clarify please.



Deputy City Solicitor Arnold stated sorry, I was responding to Mr. Wihby, I didn't hear the question.

Mayor Baines stated ask the question again, Alderman Levasseur.

Alderman Levasseur stated we just voted to table something that was voted not to be accepted, so it's done. We did not accept to pay. We voted not to pay these guys.

Deputy Clerk Johnson interjected no, we did not.

Mayor Baines stated let the Clerk clarify, Alderman.

Deputy Clerk Johnson stated the motion on the floor was that the Bond Resolution pass and be Enrolled; that motion failed. When that motion failed the item had still not been dispensed with and was still being discussed on the floor...

Mayor Baines interjected the Chair rules in that favor.

Alderman Levasseur stated we went to number 11, I thought. Didn't we go from 15 to 11.

Mayor Baines replied no that's for the next meeting.

Alderman Levasseur stated number 11 was on the floor and number 15 was not.

Mayor Baines stated we took a motion to table and I accepted the motion.

Alderman Levasseur stated the procedure of this is completely wrong. Number 15 was voted on and we skipped from 15, went to number 12, took number 12 and we all agreed this is the one we were on...you can't just say that you decided to make this whole procedure, you can't. You didn't want to on number 15.

Mayor Baines stated the Chair accepted a motion from Alderman Pariseau.

Alderman Levasseur stated let's have a roll call on it. I can assure you I didn't vote on it.

Mayor Baines stated someone has got to pay attention here.

Mayor Baines stated a vote was taken, the Chair ruled that the I's had it.

Alderman Levasseur stated I called for a roll call.

Mayor Baines reiterated the Chair ruled.

Alderman Levasseur stated no, no, your Honor, just follow the procedures.

Alderman O'Neil asked can we have someone from CLT here at the next meeting.

Alderman Levasseur stated this can't be tabled on, it has been voted not to accept.

Mayor Baines reiterated the Chair has ruled that it is tabled.

Alderman Gatsas stated we went onto the Bond Resolution because we didn't discuss number 11. Now, Mr. Tellier just said that they have a bond, CLT has a bond until 2002, September. Is that going to get us through the entire procedure.

Mr. Tellier replied unlikely.

Alderman Gatsas stated what that means is even though we a bond performance in place until September of 2002 that we ask them to go to court in November of 2002 they don't have to accommodate us. There is no bond in place to recover.

Mr. Tellier replied no but they are still contractually obligated and if they expect to do business in the State of New Hampshire, which I'm sure they do, they are also administered by the Department of Revenue Administration and bound by the contract as well. So, they would have to have input and contractually obligated to defend the values.

Alderman Gatsas stated there is nothing in the bond that we could go after. If there is a problem that we discover in November that says they made a mistake that cost the City some three million dollars.

Mr. Tellier stated if it is the will of this Board to ask for something different then that would have to be conveyed to the company, but they've extended the bond...we didn't stipulate to a time frame. It is stipulated that they carry a bond throughout the defense of values. Now, I'm not an attorney, I would have to defer to the attorneys office, however, I believe that in the terms of the contract they have to carry a bond for the duration of the defense of values.

Alderman Gatsas asked in your professional opinion has CLT met the obligation of their contract.

Mr. Tellier replied at this point, yes.

Mayor Baines stated okay we will now move to number 16.

Alderman Levasseur interjected the Deputy Clerk does not have any nays on the vote to table and I would like to be recorded in opposition to the tabling of the Bond Resolution.

Alderman Hirschmann asked don't you have another phase of the revaluation coming next year.

Mr. Tellier replied the things that you are alluding to is our recertification year which is to be 2004; that is a non-negotiable date. These dates for every community in the State goes from 2003 to 2007. For Manchester – 2004, that is set in stone. When this project is done we will have to recertify again. Assessing is a continual process.

**16. Resolutions:**

“Amending the FY1999 & FY2001 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Three Thousand Dollars (\$33,000) from CIP 720199A & 830499 to FY2001 CIP 720101 – MTA Transit Bus Project.”

“Amending the 2001 Community Improvement Program, authorizing and appropriating funds in the amount of Twelve Thousand Five Hundred Dollars (\$12,500.00) for CIP #221701 – Adolescent Pregnancy Prevention.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of One Thousand Dollars (\$1,000) for FY2002 CIP 211202 – 6% Incentive Funds Program.”

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Nineteen Thousand One Hundred Fifty Two Dollars (\$19,152.00) for CIP #215801 – REACH 2010 – Phase 2 Implementation Grant.”

“Amending the 2002 Community Improvement Program, authorizing and appropriating funds in the amount of Two Thousand Dollars (\$2,000.00) for CIP #410402 – MHRA Community Policing.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty Three Thousand Dollars (\$33,000) for FY2002 CIP 411802 Juvenile Firesetter Intervention Project.”

“Amending the FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Thousand Dollars (\$20,000) for FY2002 CIP 613002 Bethel Court Emergency Shelter Improvement Project.”

“Amending the FY1999, FY2001 & FY2002 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Fifteen Thousand Dollars (\$15,000) for the FY2002 CIP 810001 – Valley Cemetery Master Plant Project.”

Alderman Cashin moved to dispense with the reading of the Resolutions by titles only. Alderman Pariseau duly seconded the motion. There being none opposed, the motion carried.

Alderman Lopez moved that the Resolutions pass and be Enrolled. Alderman Pinard duly seconded the motion. The motion carried with Alderman Levasseur duly recorded in opposition to the FY2002 CIP 613002 Bethel Court Resolution.

#### **TABLED ITEM**

17. Proposal to amend the Purchase and Sale Agreement between the City of Manchester and the Sargent Museum for the purchase of the 88 Lowell Street property.  
(Tabled 10/16/01)

This item remained tabled.

#### **NEW BUSINESS**

Mayor Baines acknowledged the presence of the Aldermen-Elect who I am sure have enjoyed the meeting so far...Mike Garrity, George Smith and Armand Forest.

Alderman Pinard stated I've passed out a press release for Friday night...the Massabesic Tree Lighting and the tribute to the September 11<sup>th</sup> noting there will be a candle light vigil, there will be a few surprises for the youngsters. So, you're all welcome to be a Massabesic Lake around five o'clock and there will be music and singing.

Mayor Baines stated there will be the tree lighting at City Hall Plaza which was started last year with Intown Manchester will be this Sunday, I think at around 3:40 Santa will be appearing at the lighting of the tree and then the Christmas Parade will begin at 4:00 PM.

Alderman Levasseur stated I'd like to say Happy Thanksgiving to everyone in the City of Manchester and I'd also like to say go, Monarchs! I'm really happy that the civic center opened the way it did and it's been a great blessing for Downtown and everybody involved. The City's done a great job. I would like to bring up one little point here about Mr. Tanguay as we were talking about him this evening. Some crazy things...we talked about this two weeks ago about things that are going on over at MCTV. Your Honor, this producer and all producer's over at MCTV are not allowed to video Alderman Vaillancourt and put him on our show, so if Alderman Vaillancourt were to say I'd really like working for Mayor Baines I could tape that tape and show it on my show, but I'm not allowed to show that. I did write a letter...I'm trying to put it as humorous as I can but it's really not humorous, it really

serious. I wrote to the Superintendent of Schools, Mr. Tanguay asking him where he got his legal basis for this kind of censorship and I put a call into his office...it's not only as a producer, it's also as an alderman and I'm worried about things that are going on over there at MCTV. I never received a phone call, I never received a letter, I never received any kind of communication to indicate where anybody would get off telling producers (and it's not only myself) but all the producers at MCTV that cannot tape certain individuals, video tape them or put them on their shows...I think is pretty amazing...over in Afghanistan they're celebrating the fact that they're having TV for the first time in five years and here we have people in our own City trying to quash our First Amendment right to put things on TV and I think that something really needs to be done. I don't need to wait for a committee to come in and have a big committee and have everybody meet and do all of these new rules, your Honor, I think there needs to be something done real quick on this issue because I had to file a temporary restraining order today with the City against the Manchester School District to protect what I believe are very important rights that are guaranteed to us by the Constitution and there will be a hearing on December 5<sup>th</sup> on the issue and I would not have rather have done that, but I did not get any kind of communication from the Superintendent of Schools and I think that shows a lack of respect for an alderman, also a producer and a citizen of the City of Manchester who has done, I believe, a lot of work to make MCTV as good as possible and I would like to see something be done from the Mayor's Office. I think this is going well beyond the bounds of the intent of trying to keep certain individuals off of MCTV.

Mayor Baines replied the Mayor's Office has no jurisdiction over this issue. The Board of School Committee appointed the Committee on Coordination to hear the appeals and it has to go through those authorities.

Alderman Levasseur stated you do sit as Chairman of the Board on the School Department and I think that a phone call from the Mayor is a lot more important than a phone call from an alderman since that's the position you're in, you're in the position of leadership, you are the leader of the City, you've been elected to do that and I think, your Honor, that this is not something that should be fooled around with. I don't think it sets a good image for the City of Manchester to be having these kinds of censorship things going on.

Alderman Gatsas stated January 1<sup>st</sup> being the day that we are all going to be sworn in, I think that that's a...I understand it is by Charter...now, I guess the question is what happens if 14 members aren't here on that day.

Mayor Baines stated first of all it's historical in the City, it's not anything new. When I was put in in 1973 on the School Board it was on New Year's Day and it was Syl Dupuis as Mayor, it happened again in 1980.

Alderman Gatsas stated just because people go 75 miles an hour doesn't mean that it's right.

Mayor Baines stated it has historically been part of the Charter...

Alderman Hirschmann stated the City Charter says we meet every second Tuesday and some people cancel the meetings so they can go on vacations. You people have cancelled meetings left and right.

Mayor Baines stated the Charter says that the inauguration shall occur on the 1<sup>st</sup> Tuesday in January. It's not the first time it's happened and Alderman Cashin has probably been sworn in on New Year's Day several times during his tenure.

Alderman Gatsas stated if 14 members of this Board aren't here what happens.

Clerk Bernier replied the members could be sworn in the next day or after that.

Alderman Pariseau stated in reference to the rezoning request stated it has been in committee since October or September and I just want the members of that committee aware that I do approve that rezoning. The contractor has met with several of the neighbors who have been informed of what the proposals are and have put rumors that weren't true to bed. So, I support the rezoning of the South Willow Street Shaw's development.

Alderman Hirschmann stated as the next meeting in December will really be our last meeting before Christmas...can we put on the agenda discussion for the senior center because the senior center hasn't been discussed.

Mayor Baines stated we can have them come up. We're very, very close and maybe I'll commute that deadline with a full blown presentation, but I want to talk to some individual Aldermen because my feeling is we need to get this done and we need to get 10 people behind it and we're almost ready to come forward with the exact money and everything and we could make that deadline.

Mayor Baines stated I also wanted to announce, I learned today that Louis Craig is stepping down as the Executive Director of New Horizons at the end of this year and that came as a surprise to me this morning at the annual breakfast. I know that some of the aldermen were present there. Louis has done an absolutely extraordinary job. He's going to move, I believe, to the Sobriety Maintenance Center, I think they announced today as Executive Director. I am going to be at West High School tomorrow morning as they have a traditional Thanksgiving assembly and will present him with a key to the City, but I would like to ask

the Board to pass a Resolution this evening commending Louis Craig for his exemplary service, extraordinary service on behalf of New Horizons and the unfortunate people of our community. He has just done a magnificent job.

Alderman Cashin moved to adopt a Resolution commending Louis Craig for his service.

Alderman Thibault duly seconded the motion. There being none opposed, the motion carried.

There being no further business to come before the Board, on motion of Alderman Pariseau, duly seconded by Alderman Pinard, it was voted to adjourn.

A True Record. Attest.

City Clerk